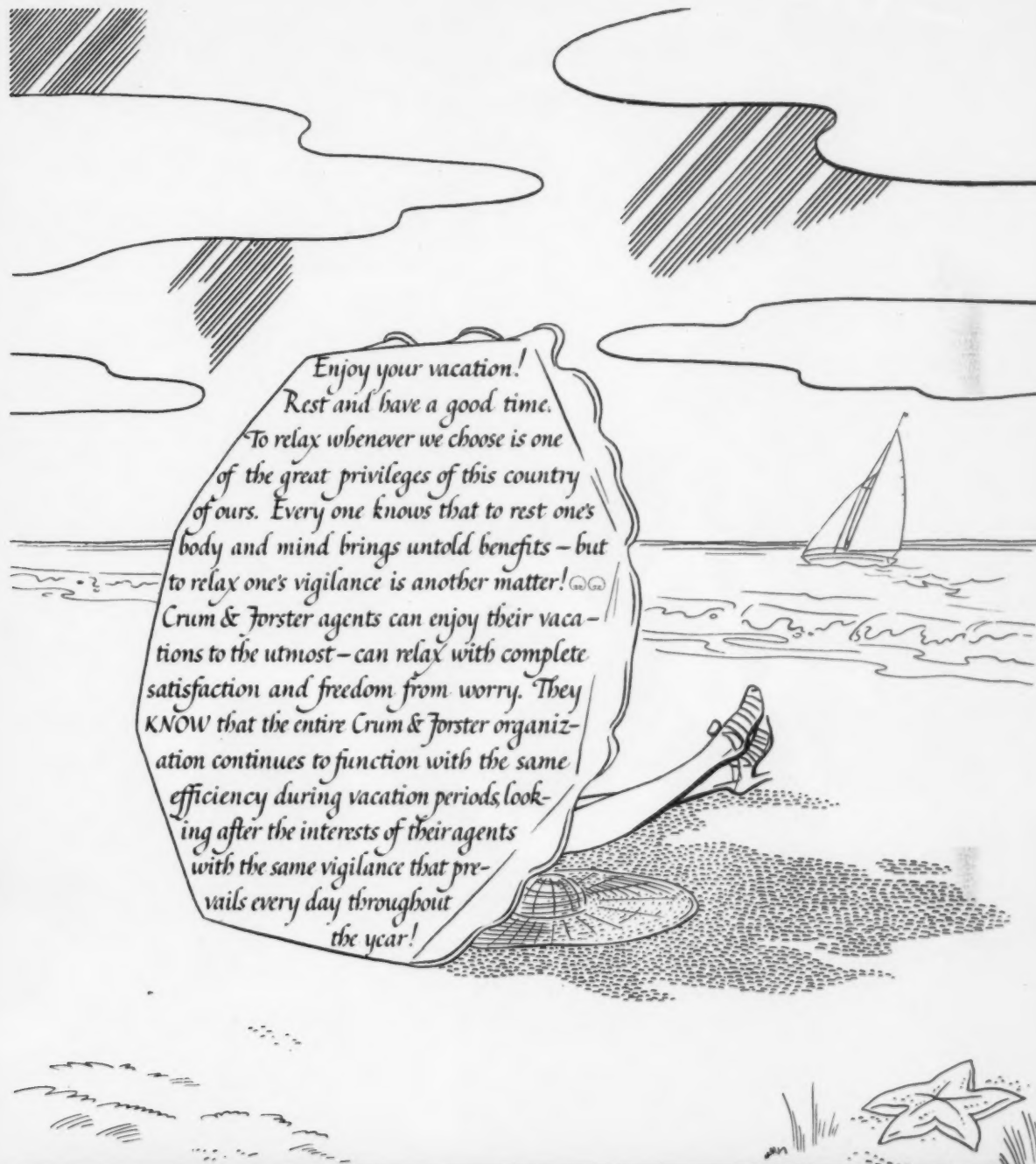


The NATIONAL UNDERWRITER





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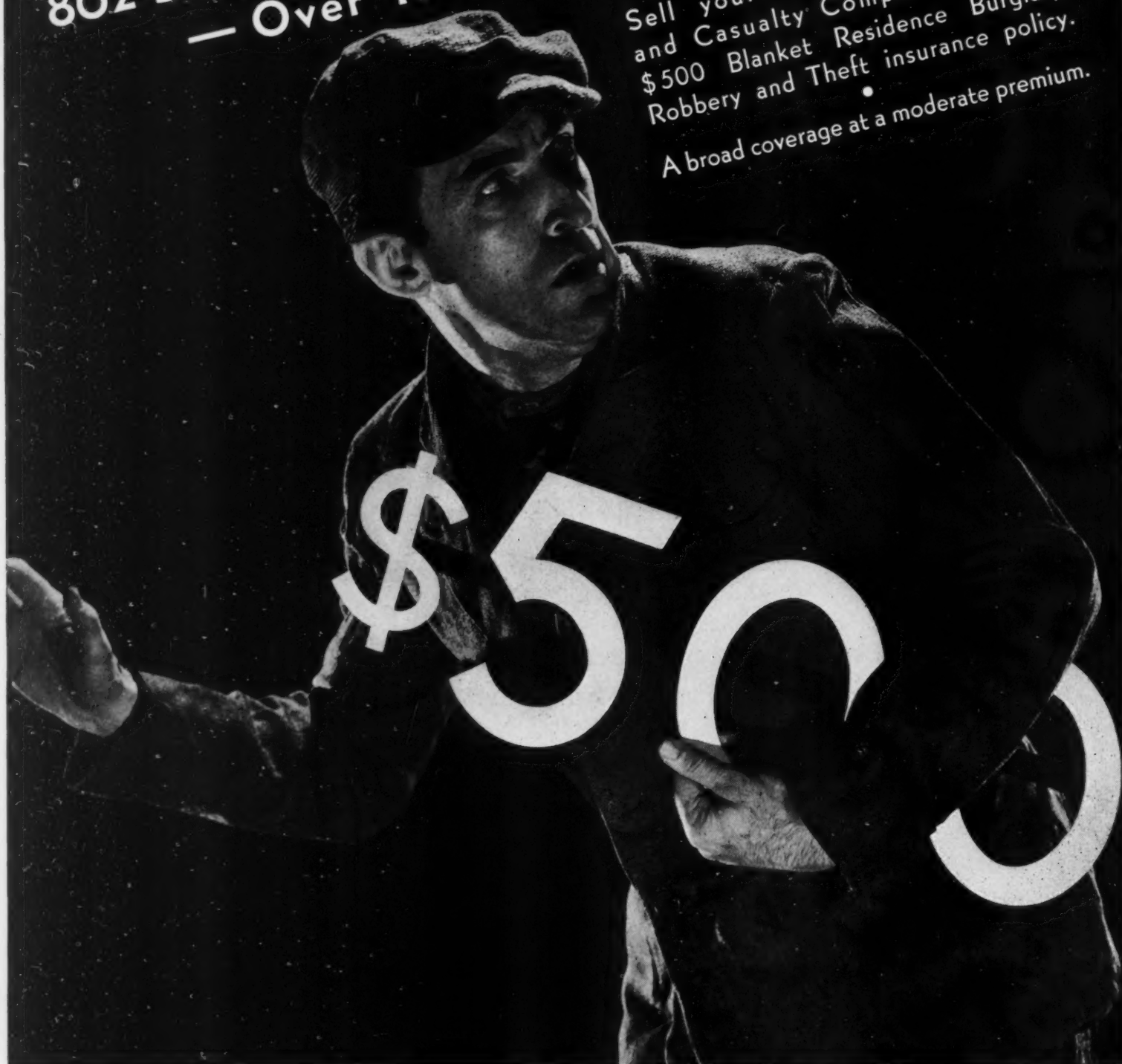
United States Fire Insurance Co.	Organized 1824	Richmond Insurance Co.	Organized 1814
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THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 33. Thursday, August 14, 1941. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

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**WEEKLY
NEWSPAPER
OF
INSURANCE**

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 33

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 14, 1941

\$4.00 Year, 20 Cents a Copy

Washington Agents Hold Annual Parley at Tacoma

Frank N. Bellingar Is New President—Many Strong Resolutions

TACOMA, WASH.—Total registration at the convention here of the Washington Association of Insurance Agents totaled 343. New officers elected are: President, Frank N. Bellingar of Bell-



FRANK N. BELLINGAR

ingham; chairman executive committee and national councillor, Charles P. Carroll, Spokane; secretary, William H. Harmer, Seattle; executive secretary, Irwin Mesher, Seattle; regional vice-presidents, L. M. Arbon, Spokane, and Norman W. Walker, Longview.

Elected to three-year terms on executive committee were C. J. Sorensen, Bellingham; Arthur H. Bassett, Tacoma; Austin Roberts, Walla Walla; V. R. Lee, Chehalis; T. J. Meenach, Spokane.

Governor Langlie was the principal speaker at the banquet Monday night, speaking on industrial problems of state. Resolutions were adopted against coercion of insurance premiums by loaning agencies, requesting Northwest Airlines to discontinue employees insurance purchases in Lloyds, requesting companies to correct inequalities in fire rates, pledging active cooperation in the defense program, against discrimination against stock companies in favor of mutuals on taxes, asking automobile companies to confer with agents committee before inaugurating rate changes, against further deviations in automobile rates as precipitating rate wars, against practice of bidding on lines of public insurance, suggesting legislation requiring agents to devote major portion of their time to insurance, urging statewide safety campaign.

Harold J. Toso of San Francisco, vice-president of Newhouse & Sayre, gave a talk to the Washington agents

(CONTINUED ON PAGE 15)

Minnesota Agents' Program Announced

Notable Speakers Listed for Annual Meeting in Rochester Sept. 11-13

ROCHESTER, MINN. — For the first time in the history of the Minnesota Association of Insurance Agents, a woman will be a speaker at the annual meeting at Rochester Sept. 11-13. Miss Sabina Curran, president of the St. Paul Association of Insurance Women, will tell of the work which the women's insurance organizations are doing.

The program is now completed. Arrangements for entertaining and housing the conventioners are in the hands of F. V. McGovern and Herbert Knopp, Rochester local agents. Rochester boasts more first class hotels than any city of its size in the country, so there will be no difficulty in housing the several hundred who are expected to attend. Headquarters will be at the Kahler hotel but all the other hotels are within a few minutes walk to the Kahler. Sessions will be held at the Mayo Civic Auditorium.

Harry Levant, Eveleth, is chairman of the program committee.

Golf Tournament First Day

Reversing the usual arrangement, the convention will open with a golf tournament and then put in two full days of educational and business sessions.

On Sept. 11 there will be a meeting of the executive committee of the state association, with the golf tournament in the afternoon at the Rochester Country Club, Carleton Kruse in charge, and a stag buffet supper at the country club, honoring past presidents and awarding of golf prizes, followed by entertainment. Francis McGovern, Rochester, is master of ceremonies.

The first convention session will be called to order by President A. A. Hirman, Rochester, Friday morning, Sept. 12. The program includes a talk, "Good of the Order," by Frank S. Preston, executive secretary-treasurer and national councillor; reports of committees, address, "Madam President, Take a Letter," by Miss Curran, and the president's annual message.

A complimentary luncheon will be given by Baumann & Gordon, Winona, general agents, represented by R. M. Maxwell and August Quast.

Midyette, Bond to Speak

The afternoon session includes greetings from the National association, by Payne H. Midyette, president; "Some Problems We Should Discuss Frankly," by E. J. Bond, president Maryland Casualty, and "Professional Training for Insurance Underwriting," by Dean Russell A. Stevenson school of commerce, University of Minnesota.

At the get-together dinner that evening President Hirman will preside with greetings from Mayor Paul Grassle of Rochester and addresses by Dr. Charles Mayo and Commissioner Johnson of Minnesota.

Saturday morning a rural agents' breakfast meeting will be conducted by Guy Rolien at the Arthur hotel, and a

Local Board Conferences Set

S. H. Reynolds, Earl Johnson, Maurice Hartson Leaders of N.A.I.A. Groups

Outstanding local board authorities have been named to preside over the three local board conferences which will be a feature of the convention of the National Association of Insurance Agents at Kansas City, Oct. 13-17. The chairmen named are Earl Johnson, Raleigh, N. C.; Samuel H. Reynolds, Kansas City, Kan., and Maurice Hartson, New Orleans.

Mr. Johnson will preside over the conference for cities up to 50,000 in population. North Carolina has long been notable for its effective local board setup. The state association annually presents an award known as the Thomas G. Redden trophy to the outstanding local board of the year, an honor that is seriously sought after by the various local associations, and has contributed much to the strength of the organized agents of North Carolina.

Mr. Reynolds will be chairman of the conference for cities whose population is from 50,000 to 250,000. The state of Kansas likewise presents an annual award to its outstanding local board, and Mr. Reynolds has exhibited a lifetime interest in local board principles and practice.

Mr. Hartson will serve as chairman of the conference for cities with over 250,000 in population. New Orleans has one of the outstanding exchanges of the country in so far as large cities are concerned. It is noted for the strict membership requirements which it imposes and its resultant ability to stabilize the business of insurance in that community.

The conferences will be held concurrently on Tuesday, Oct. 14, the meetings beginning at 2 p. m.

breakfast meeting for district and regional leaders at the Martin hotel, conducted by L. D. Engberg, St. Paul. Legislation will be discussed by Armand W. Harris, St. Paul; C. F. Liscomb, Duluth, and C. O. Brown, Rochester; membership activities by Bradford Strom, Jackson; local and regional board activities by Howard Williams, Mankato; Harry Levant, Eveleth, and H. E. Reynolds, Duluth.

The entire morning session Sept. 13 will be given over to "A Program for Progress," led by Milton W. Mays, director of Business Development office. A panel discussion with an analysis of agency problems will follow, participated in by Kenneth Hingst, state agent American of Newark; Nick Dekker, state agent America Fore; R. A. Thompson of Wirt Wilson & Co., Minneapolis, president Minneapolis Underwriters Association; R. V. Hood of C. F. Liscomb & Co., Duluth, and George F. Parkos, Parkos-Topka agency, New Prague.

The final convention session Saturday afternoon will feature an address by Horace McMullen, in charge of arson and incendiarism activities of the National Board, followed by adoption of resolutions and election of officers.

Farm Association Gives Scholarships for Rural Youth

Handsome Contribution Is Arranged by Stock Fire Interests

The Farm Underwriters Association of Chicago has decided to sponsor 64 scholarships ranging in value from \$100 to \$250 each for the benefit of the farm and rural youth of the country who are members of 4-H clubs, Future Farmers of America and Rural Scouts, it is announced by Secretary E. H. Born. The plan was formulated by the public relations committee of the association. The practical administration of the program will be in the hands of E. N. Hopkins of Des Moines, public relations counsel for many years and who has been a leader in promoting the 4-H club movement through loans, educational trips, scholarships, prizes, etc. Mr. Hopkins is the brother of B. C. Hopkins of the Hopkins & Mulock agency of Des Moines, a past president of the Iowa Association of Insurance Agents and the Iowa Insurance Federation.

The plan is applicable in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin.

E. N. Hopkins founded the "Underwriters Review" of Des Moines and for some years was its business manager.

Progressive Attitude

The Farm Association has been one of the most forward looking organizations in the stock fire insurance business and this magnificent public relations project is an indication of its progressive attitude. Many of the farm writing executives originated on farms and they feel a natural affection for and interest in farm youth.

The final details of the scheme are now being completed and descriptive literature is being prepared by the Farm Association and Mr. Hopkins. Working with the Farm Association in this project was the rural agents committee of the National Association of Insurance Agents of which Alex H. Case of Marion, Kan., is chairman.

The major objectives of the scholarship plan include encouragement of farm and rural youth to contribute to farm fire prevention and safety. The insurance interests are anxious to make an impression on the fire loss record in farm territory which now amounts to some \$100,000,000 of property and 3,500 lives destroyed annually. The program is particularly timely in view of the emphasis in the national defense program upon control of fire waste.

A number of the major awards each year will be made with ceremonies during the 4-H Club congress in conjunction with the Farm Association.

(CONTINUED ON PAGE 14)

N. Y. Department Presents Close Breakdown of Costs

The following tabulations of fire insurance aggregates for the years 1936 to 1940, inclusive, and results of individual companies for 1940 have been compiled by the statistical division of

the rating bureau of the New York department from the experience of companies licensed in that state. The amounts and percentages are those for fire business only and exclude allied

lines which are reported separately in the fire experience exhibits. All of the ratios are on the incurred to earned basis. The experience includes a breakdown of expenses incurred.

STOCK COMPANIES

Calendar Year	Premiums Earned	Underwriting Ratios			Country-Wide Experience			Incurred Expense Analyses			Federal Income Tax	New York State	
		Loss	Expense	Net Gain	Claim Adjust-ment	Commis-sions	Field Super- vision	General Admin.	Inspection & Bureaus	Taxes & Fees		Premiums Earned	Loss Ratio
1936	\$425,298,000	38.4	51.8	9.8	2.4	26.5	4.8	10.2	3.0	4.9	...	\$62,298,000	34.1
1937	425,873,000	36.1	52.2	11.7	2.3	27.2	4.8	10.3	2.9	4.7	...	61,731,000	31.9
1938	424,517,000	37.9	53.3	8.8	2.5	26.7	5.0	11.0	3.0	4.1	1.0	60,578,000	35.8
1939	415,004,000	41.5	53.3	5.2	2.7	26.9	5.1	10.9	3.0	3.7	1.0	57,586,000	40.7
1940	418,643,000	43.4	52.7	3.9	2.7	27.4	4.9	10.5	2.8	3.9	.5	56,292,000	45.3

MUTUAL COMPANIES (OTHER THAN FACTORY MUTUALS)

Calendar Year	Premiums Earned	Loss	Expense	Net Gain	Claim Adjust-ment	Commis-sions	Field Super- vision	General Admin.	Inspection & Bureaus	Taxes & Fees	Federal Income Tax	New York State Premiums Earned	Loss Ratio
1936	\$46,919,000	34.5	38.2	27.3	1.5	13.6	5.3	12.9	2.6	2.3	...	\$4,102,000	34.2
1937	50,162,000	34.5	38.4	27.1	1.6	14.3	5.0	12.4	2.4	2.7	...	4,474,000	31.9
1938	50,696,000	32.3	40.9	27.7	1.6	14.8	5.4	12.6	2.6	2.9	...	4,911,000	32.7
1939	52,907,000	33.3	40.8	20.9	1.6	16.3	4.1	13.2	2.7	2.9	.04	5,645,000	31.7
1940	56,352,000	36.5	40.8	22.7	1.7	16.8	3.9	12.9	2.6	2.9	...	5,364,000	37.6

FACTORY MUTUALS

Calendar Year	Premiums Earned	Loss	Expense	Net Gain	Claim Adjust-ment	Commis-sions	Field Super- vision	General Admin.	Inspection & Bureaus	Taxes & Fees	Federal Income Tax	New York State Premiums Earned	Loss Ratio
1936	\$24,262,000	12.3	12.7	75.0	.1	.3	1.0	5.5	5.1	.7	...	\$3,141,000	10.2
1937	23,790,000	10.0	12.6	77.4	.1	...	.8	5.9	4.9	.9	...	3,332,000	4.7
1938	21,818,000	24.4	14.3	61.3	.2	...	.9	5.8	6.4	1.0	...	2,711,000	4.2
1939	21,250,000	12.0	14.5	73.5	.1	...	.9	5.6	6.7	1.1	...	2,744,000	11.3
1940	21,280,000	14.6	15.9	69.5	.1	...	1.0	6.3	7.1	1.5	...	3,079,000	5.6

RECIPROCALLS, ETC.

Calendar Year	Premiums Earned	Loss	Expense	Net Gain	Claim Adjust-ment	Commis-sions	Field Super- vision	General Admin.	Inspection & Bureaus	Taxes & Fees	Federal Income Tax	New York State Premiums Earned	Loss Ratio
1940	\$4,694,000	25.6	35.6	38.8	.6	13.6	.1	17.4	.8	3.0	...	\$712,000	27.8

ADVANCE PREMIUM CO-OPERATIVES

Calendar Year	Premiums Earned	Loss	Expense	Net Gain	Claim Adjust-ment	Commis-sions	Field Super- vision	General Admin.	Inspection & Bureaus	Taxes & Fees	Federal Income Tax	New York State Premiums Earned	Loss Ratio
1940	\$2,240,000	50.3	41.4	8.3	2.0	17.8	2.7	15.2	3.1	.7	...	\$2,056,000	46.7

	Premiums Earned	Underwriting Ratios			Country-Wide Experience			Incurred Expense Analyses			Taxes & Fees	Fed. Inc. Tax
		Loss	Expense	Net Gain	Claim Adjust- ment	Commis- sions	Field Super- vision	General Admin.	Inspection & Bureaus			
Aetna Fire	\$12,105,804	43.7	50.0	6.3	1.3	24.5	4.5	12.8	2.6	3.5	...	...
Agricultural	3,642,270	46.6	50.2	3.2	2.4	21.7	7.8	10.2	5.0	2.7	...	...
Albany	391,417	42.0	56.1	1.9	2.6	22.7	7.7	15.6	3.1	2.9	...	...
Allemania	1,087,966	41.6	54.7	3.7	1.7	31.9	3.4	11.0	2.6	4.2	...	...
Alliance, Pa.	1,453,249	42.6	54.1	3.3	3.2	25.8	5.2	12.8	2.6	3.9	...	...
Allied	118,830	47.8	49.9	2.3	2.0	16.4	6.6	18.5	2.2	4.1	...	...
Amer. Alliance	1,398,869	43.2	53.2	3.6	2.7	27.9	5.4	10.6	2.6	3.9	...	...
Amer. Central	1,584,002	42.5	55.9	1.6	2.8	25.5	6.2	13.2	3.5	4.7	...	...
Amer. Drug	391,372	39.0	44.7	16.3	1.5	5.8	8.0	18.3	2.4	6.7	...	...
Amer. Eagle	2,007,323	44.8	48.1	7.1	2.2	26.3	3.6	9.0	2.8	2.8	...	...
Amer. Equitable	3,717,565	44.7	53.1	2.2	2.3	30.7	10.9	2.1	3.4	...	...	...
Amer. Fire	36,726	49.0	44.2	6.8	3.4	29.6	2.3	4.5	1.3	3.0	...	...
Amer. & Foreign	425,806	41.9	53.5	4.6	4.3	26.2	6.3	9.1	3.5	4.1	...	...
Amer. Home	741,771	64.9	53.0	-17.9	2.4	34.0	2.4	8.5	2.2	3.5	...	...
American, N. J.	9,007,840	44.1	51.4	4.5	3.2	26.3	4.0	11.7	2.6	3.6	...	...
Amer. Union	259,390	43.8	54.1	2.1	5.7	13.1	4.0	12.4	6.0	10.7	...	...
Anchor	361,493	48.1	40.7	11.2	2.0	26.8	1.9	4.3	2.3	3.5	...	...
Assoc. F. & M.	14,261	21.6	178.5	-100.1	.7	40.7	46.6	50.3	8.6	31.6	...	...
Atlas	2,058,864	42.0	54.8	3.2	2.9	22.7	6.2	15.8	3.1	4.0	...	...
Automobile	4,665,353	40.4	57.4	2.2	2.4	22.0	11.9	12.8	3.4	4.7	...	...
Baltimore Amer.	1,331,792	46.8	42.5	10.7	2.0	26.5	3.0	4.9	1.1	2.8	...	...
Bank & Ship	1,623,012	44.5	53.8	1.7	2.3	32.4	1.6	10.9	2.6	4.0	...	...
Birmingham, Ala.	346,106	41.5	53.6	4.9	1.5	37.7	2.0	7.5	1.3	3.6	...	...
Birmingham, Pa.	88,115	42.3	54.1	3.6	1.2	33.4	2.2	16.7	...	...	...	...
Boston	2,820,808	42.6	55.9	1.5	1.7	25.2	6.5	13.9	4.2	3.9	...	...
British Amer.	506,580	46.5	52.3	1.2	1.5	34.2	2.4	8.1	2.9	3.8	...	...
British General	263,805	42.9	54.5	2.6	2.8	25.5	6.3	12.9	3.4	3.6	...	...
Buffalo	1,693,312	42.6	52.7	4.7	2.3	30.7	2.7	9.8	2.9	4.0	...	...
Cal. conian Amer.	216,652	45.0	63.7	-8.7	3.9	29.1	6.6	12.8	4.0	7.4	...	...
Caledonian	1,019,840	43.0	58.3	-1.3	5.1	33.8	2.6	8.1	4.1	4.6	...	...
California	989,669	42.6	55.1	2.3	2.7	25.4	6.3	13.2	3.5	4.0	...	...
Camden	3,209,312	41.6	51.9	6.5	1.8	27.1	4.7	9.6	3.4	3.3	...	...
Capital	236,755	38.6	47.7	13.7	3.6	23.6	5.7	8.1	3.2	3.6	...	...
Carolina	454,896	52.2	47.5	.3	1.8	35.3	2.3	4.0	1.0	2.6	...	...
Central, Md.	726,699	42.6	54.3	3.1	3.0	25.5	5.9	13.0	3.0	2.9	...	...
Central Union	105,553	42.3	62.8	-5.1	5.9	15.0	4.5	14.5	6.9	15.1	...	...
Century	870,257	52.1	59.0	-11.1	1.7	37.7	3.7	9.4	2.2	4.3	...	...
Church Prop.	52,040	29.8	45.6	24.8	.9	-57.6	22.7	63.0	2.7	11.9	...	...
Citizens	261,883	43.6	46.6	9.8	2.3	33.5	2.3	2.7	.7	2.7	...	...
City of N. Y.	1,062,224	46.6	46.5	6.9	1.8	33.3	2.1	5.0	.9	2.7	...	...
Colonial Assurance Co.	71,566	60.6	146.4	-107.0	.6	140.7	...	4.5	...	...	...	...
Columbia, Ohio	377,237	44.5	51.6	3.9	3.0	26.7	4.2	11.9	2.7	3.1	...	...
Columbia, N. Y.	516,034	39.2	56.0	4.8	3.5	27.3	4.8	12.4	3.6	4.6	...	...
Commerce	981,960	45.6	51.2	3.2	1.7	28.2	3.6	8.2	5.6	3.9	...	...
Commercial Un., Eng.	2,842,873	43.0	53.0	4.0	2.9	27.3	5.7	11.2	2.9	3.1	...	...
Commercial Un., N. Y.	617,075	42.7	57.1	.2	2.8	25.6	6.2	13.1	3.5	5.9	...	...
Commonwealth	1,255,366	38.0	59.9	2.1	5.8	30.6	4.2	11.7	2.9	4.0	...	...
Concordia	1,064,677	42.1	56.2	1.7	3.4	29.5	4.4	12.0	2.4	4.2	...	...
Connecticut	3,329,254	40.6	48.9	10.5	2.0	26.2	5.1	9.1	2.6	3.7	...	...
Continental	13,224,502	41.9	46.5	11.6	2.6	23.9	3.7	9.4	2.6	3.1	...	...
County Fire	334,409	43.9	52.0	4.1	2.4	27.0	4.7	10.5	2.2	4.5	...	...
Dearborn Natl.	82,550	54.0	134.4	-88.4	7.8	58.4	12.5	36.2	4.9	14.6	...	...
Detroit F. & M.	814,149	43.3	50.3	6.4	2.5	25.9	5.0	10.2	2.4	3.9	...	...
Dixie	192,073	44.4	53.7	1.9	3.3	26.7	4.1	13.2	2.6	3.8	...	...
Dubuque	1,554,454	50.4	58.4	-8.8	2.8	35.7	3.0	8.2	2.6	6.1	...	...
Eagle Fire, N. Y.	387,382	51.6	66.6	-18.2	3.4	33.8	3.0	11.7	4.0	5.7	...	...
Eagle Star	1,227,142	54.1	59.2	-13.3	2.7	28.1	4.8	14.2	5.4	4.0	...	...
East & West	494,348	26.0	55.8	18.2	2.1	19.6	11.5	11.6	4.5	6.8	...	...
Empire State	806,334	51.5	52.3	-3.8	2.3	28.3	4.5	9.9	4.2	4.4	...	...
Employers Fire	1,316,889	43.2	52.6	4.2	2.0	25.0	5.9	12.1	3.1	4.4	...	...
Equitable F. & M.	665,850	40.2	48.1	11.7	2.0	26.2	5.1	8.9	2.6	3.1	...	...
Equity Fire	81,526	3.9	42.9	53.2	.3	...	15.3	4.6	...	2.4	...	...
Eureka Sec.	2,069,979	45.6	59.9	-5.5	2.9	32.9	3.6	13.1	2.7	4.7	...	...
Excelsior	258,772	36.1	54.3	9.6	1.6	19.3	6.8	16.7	2.0	6.4	...	...
Export	14,119	26.0	-183.1	257.1	.4	-371.0	2.4	31.4	2.4	8.2	...	...
*Farmers, Pa.	577,414	46.3	56.6	-2.9	2.4	30.2	5.5	8.9	4.9	4.0	...	...
Federal	409,779	48.6	62.5	-11.1	1.9	39.2	.7	13.9	3.9	2.9	...	...
Federal Union	510,967	42.1	53.7	4.2	4.1	26.3	6.3	9.4	2.5	4.1	...	...
Fidelity & Guar.	2,152,068	40.0	54.4	5.6	2.3	28.7	6.9	10.0	2.4	4.1	...	...
Fidelity-Phoenix	9,878,398	42.6	46.3	11.1	2.7	24.4	3.7	8.9	2.4	3.3	...	...

Federal Control of Installment Buying May Help Losses

See Other Factors Also Reducing Auto Premiums But Improving Profit

Insurance men, particularly automobile underwriters, are studying the President's order placing control of installment buying in the hands of the Federal Reserve Board, and will watch with interest the effect of this control on the insurance business.

Installment control is expected to cut down considerably the sale of automobiles, refrigerators, radios, etc. It may reduce new auto sales from the more than 5,000,000 of the 1940-41 season to half that number. As it affects financed automobiles, it will reduce the premium volume of companies on such cars. But it is not expected to affect directly premium financing, since this type of credit has no direct bearing on consumption of consumer goods except as it decreases the sales of automobiles.

Residential Building Exempted

The Presidential order, based on the "trading with the enemy act" of 1917 as amended during the 1933 banking holiday, specifically exempts residential building. Regulation will probably not be applied to open book accounts, such as the housewife's monthly account at the grocery; financing of productive equipment, such as farm machinery, loans payable in one sum, and installment contracts entered into before the order.

While the order gives the board power to prohibit, intention is for the board merely to control; that is, to place minimum limitations on the amount of down payments and a maximum on the payment period. In automobile financing, for instance, the finance people already have discussed with government officials an 18-month maximum period, one-third minimum down payment on new cars; 12 months and from 20 to 33 1/3 percent on used cars.

The board has called a conference of finance concerns Friday to go into specific measures of installment control, and the board probably will begin applying

the measures sometime within the next month.

Purpose of installment regulation, which fits in with price and rent control, is to transfer production resources to defense industries, curb booming prices, restrain inflation, help create a backlog of demand for consumers' durable goods, and restrain development of a consumer debt structure repress demand for goods and services in the post-defense period.

Government officials estimate current installment buying, including open book accounts, at about ten billions a year, which is two billions more than in 1929.

Not Pessimistic

Automobile underwriters are not particularly pessimistic about this possible reduction in premium volume, or about other factors that may reduce volume even more.

They have been uneasy for some months over loss experience in connection with greatly increased premiums. All types of losses have been going up some, but collision has shot up rapidly.

What they expect from curtailment of installment purchases are fewer and better risks through finance companies. This should tend to improve the loss ratio and give underwriters a greater feeling of confidence in the situation. They should be able to make more of a profit next year, even though premiums are off.

Several other factors will operate to reduce premium volume in the next 12 months. Workers on defense projects such as camps, factories, etc., most of whom have purchased automobiles the past year, are going to be at least partially out of the picture. Such projects will have been largely completed, and only a certain percentage of the workers on them can be absorbed into defense manufacturing because of skill limitations. In some cases finance companies are taking automobile paper on these workers only for the period of the defense contract on which they are engaged.

The young men in the armed forces eliminate a portion of the automobile market.

The regular automobile customer, afraid of a curtailment in auto production and to escape the federal auto tax, made his automobile purchase in the 1940-41 market. He is not likely to be buying again in the 1941-1942 season just now getting under way.

Increased Unemployment

The effect of priorities in all non-defense manufacturing, including automobile and many other fields, will be to create unemployment and reduce the auto market. It is said that if car production is cut 50 percent it will result in a real unemployment problem in De-

(CONTINUED ON PAGE 15)

Takes Issue with Editorial on Expense

Edwin S. Karrer, president of the Detroit Association of Insurance Agents, comments in this wise on a recent editorial:

"In the July 31 issue of THE NATIONAL UNDERWRITER, under the editorial comments, there appeared an editorial under the subject, 'Don't Pass the Buck to Companies.' What prompts this editorial? Have you ever given thought to the question of expense burdened by these companies in not living up to acquisition cost agreements? The agent is shouldering his part of this scheme of things in any contribution to charity, or community chests, and if the companies do not care what commission they pay on fire business, which is another form of expense, I can not see where they have any bone of contention in denying a contribution brought to their attention by their local agent.

"The point is, the whole question is a matter of expense in one form or another and if I am correct, this acquisition cost picture is a matter of grave concern to the companies. Am I right in that thought?"

Finds Premium Increase in First Half Year 17 1/2%

Increase of about 17 1/2 percent in net premium income for the first six months of 1940, was enjoyed by 26 stock fire companies, according to a tabulation of the Alfred M. Best Company. Assets and surplus increased by about 8 percent from Dec. 31. Incurred loss ratio of this group of companies was 48.7 percent as compared to 49.5 percent the previous year. However the expense ratio was 43.8 percent as compared with 44.9.

The combined loss and expense ratio showed an improvement but there was a decrease in statutory underwriting profit because of the addition of about \$8,000,000 in premium reserve as compared with an increase of \$4,000,000 last year.

J. B. Knorr has been named manager of the insurance department of the Harrisburg, Pa., agency of J. K. Kipp & Son.

Mutual Engineers Have Varied Card

The program has now been completed for the annual meeting of the Association of Mutual Fire Insurance Engineers at Boston, Aug. 19-21. The address of welcome the morning of Aug. 19, will be given by O. E. Ringquist, vice-president of United Mutual Fire, with response by W. H. Rodda, American Mutual Alliance. Herbert Muller of the Improved Risk Mutuals will give the presidential address and R. D. McDaniel, Grain Dealers National Mutual Fire, will report as secretary. Then T. F. Tibbetts of the factory mutuals will talk on "Personal Hazards in Emergency Production." Percy Bugbee, general manager National Fire Protection Association, will give the luncheon address.

That afternoon there will be a talk on supplementing reports with photographs by S. Bullard of the Eastman Kodak Company. Warren Y. Kimball of the N.F.P.A. will give a talk, "Why Large Loss Fires?" There will be a symposium on fire cutoffs, the participants being E. A. Spatz, Millers Mutual Fire of Harrisburg, Pa., on fire doors; C. B. Royal, Jr., Employers Mutual Fire, on vertical openings; Carl L. Wiley, manager Maryland Rating & Inspection Bureau, on parapets, fender walls and wall openings, and K. M. Warren, United Mutual Fire, on skylights and roof structures. The next morning there will be demonstrations at the factory mutual laboratories and there will be a luncheon at which the speaker will be William A. Reilly, fire commissioner of Boston.

That afternoon W. C. Cotner, Central Manufacturers Mutual, will give a talk on insulating materials, their combustibility and damagability. R. E. Maginnis of American District Telegraph Company will be heard on "Developments in Automobile Alarm Systems." Then there will be a symposium on maintenance of first aid equipment, those participating being J. D. Huntington of the Mill Mutuals Ohio department, on extinguishers; R. E. Loop, Grain Dealers National Mutual, on standpipes and hose, and C. M. Rowley, Lumbermen's & Manufacturers Inspection Bureau, on watchmen's systems.

The next morning, E. P. Coffey of the Federal Bureau of Investigation will talk on protecting the industrial plant against fire and sabotage, and then Don D. John of the Mutual Insurance Agency of Louisville will speak on "Fire Prevention and Engineering Materials for the Use of Agents." Then Maj. H. R. Brayton, U.S.A., chemical warfare school, Edgewood Arsenal, Md., will talk on incendiary bombs.

Speakers at Washington Association of Insurance Agents Annual Gathering



A. V. HOLMAN

At the annual meeting of the Washington Association of Insurance Agents in Tacoma this week four of the speak-



R. E. VOIGT

ers were A. V. Holman of San Francisco, assistant secretary of the Pacific Coast department of America Fore;



H. J. TOSO

R. E. Voigt of the Swett & Crawford general agency in Seattle; H. J. Toso of San Francisco, vice-president of New-



H. W. SEMMELMEIER

house & Sayre, and H. W. Semmelmeier, public relations director of the Pacific Board.

Close Analysis of 1940 Experience Is Made

(CONTINUED FROM PAGE 4)

	Premiums Earned	Underwriting Ratios—			Claim Adjust- ment	Commis- sions	Country-Wide Experience			Taxes & Fees	Fed. Inc. Tax
		Loss	Expense	Net Gain			Field Super- vision	General Admin.	Analyses— Inspection & Bureaus		
Fire Association.....	4,910,685	39.5	48.8	11.7	3.5	29.8	2.9	7.4	2.1	3.1	...
Fireman's Fund.....	7,873,549	42.3	50.9	6.8	2.5	24.7	4.8	10.9	3.9	4.1	...
Firemen's, N. J.....	9,234,711	41.6	55.4	3.0	3.4	29.2	4.4	11.9	2.3	4.0	...
Firemen's, D. C.....	171,271	25.1	80.0	-5.1	2.0	31.8	.1	35.9	2.1	3.7	4.4
First Amer.....	557,105	54.5	48.5	-3.0	4.0	27.2	2.9	8.5	2.7	3.2	...
First National.....	192,304	30.8	105.3	-36.1	2.4	62.0	13.2	13.6	4.4	9.7	...
Franklin Fire.....	3,746,763	45.6	48.3	6.1	1.7	34.8	2.6	4.3	1.5	2.4	...
Franklin National.....	308,154	44.2	50.4	5.4	2.1	28.5	4.0	10.3	1.8	3.7	...
General, Seattle.....	4,681,540	38.4	49.3	12.8	2.7	27.4	5.1	7.0	1.9	3.4	1.1
General, Italy.....	733,417	60.9	56.1	-17.0	2.3	44.2	.4	7.6	.4	1.2	...
General Schuyler.....	100,312	58.8	62.5	-21.3	3.2	27.8	5.3	17.4	3.9	4.9	...
Georgia Home.....	504,554	54.5	49.3	-3.8	1.6	37.5	1.6	3.7	.9	1.9	2.6
Gibraltar.....	764,938	49.8	47.6	2.6	1.8	36.3	2.1	3.9	.9	2.4	...
Girard.....	1,064,694	42.1	55.9	2.0	3.5	29.5	4.4	11.9	2.3	4.0	...
Glens Falls.....	4,037,704	40.6	54.4	5.0	1.7	25.4	6.2	12.2	4.8	4.1	...
Globe & Republic.....	2,150,377	44.7	53.1	2.2	2.3	30.7	3.7	10.9	2.1	3.4	...
Globe & Rutgers.....	1,850,701	58.0	51.4	-9.4	2.2	31.9	4.5	8.3	1.6	2.9	...
Granite State.....	1,060,676	43.5	51.4	5.1	1.9	27.9	9.8	6.5	2.4	2.4	...
Great Amer.....	9,238,581	42.2	53.4	4.4	3.0	25.3	6.4	12.0	3.0	3.7	...
Great Eastern.....	60,935	25.9	49.7	24.4	1.2	19.2	5.6	15.8	2.7	3.9	1.1
Halifax.....	266,816	54.5	48.8	94.3	-2	74.1	4.8	12.4	2.7	1.2	4.4
Hamilton.....	112,326	62.9	87.2	-50.1	3.4	59.8	1.6	17.0	1.5	3.9	...
Hanover.....	3,368,950	41.7	53.8	4.5	2.9	31.2	3.9	10.8	2.0	3.0	...
Hartford.....	22,300,653	40.8	50.7	8.5	3.1	25.1	4.7	9.6	2.0	4.2	2.1
Home F. & M.....	1,738,315	42.3	51.0	6.7	2.5	24.7	4.8	11.0	3.9	4.1	...
Home.....	26,368,460	46.6	48.2	5.2	2.2	27.1	5.4	8.0	2.0	3.5	...
Homeland.....	536,136	42.3	62.1	-4.4	4.1	36.0	2.6	12.6	2.4	5.0	...
Homestead.....	657,368	54.0	48.8	-2.8	1.7	37.0	1.8	4.1	1.5	2.1	...
Hudson.....	80,145	57.7	109.7	-67.4	1.7	89.6	.1	9.6	...	8.7	...
Illinois Fire.....	78,243	33.5	62.9	3.6	3.7	34.7	8.3	7.6	4.7	3.9	...
Imperial.....	696,239	38.8	56.1	5.1	3.4	27.1	4.8	12.6	3.6	4.6	...
Ins. Co. of No. Amer.....	12,921,767	42.6	54.5	2.9	3.3	25.7	4.8	13.3	2.4	4.3	...
Ins. Co. State of Pa.....	1,252,597	44.2	57.3	-1.5	2.3	28.2	7.3	13.8	2.0	3.6	...
Jersey.....	1,068,637	45.0	54.7	.3	2.7	33.3	1.5	10.9	2.5	3.8	...
Keystone Auto. Cl. F.....	6,448	21.8	89.2	-11.0	2.0	4.2	1.3	75.5	.8	5.4	...
Knickerbocker.....	1,619,568	44.7	53.1	2.2	2.3	30.7	3.7	10.9	2.1	3.4	...
Lafayette.....	97,329	34.8	50.1	16.1	.8	7.6	4.3	30.7	.9	4.1	1.1
Law U. & Rock.....	514,649	39.3	62.5	8.2	4.2	22.7	5.4	12.1	2.5	4.6	...
Lincoln.....	152,382	67.2	40.5	-7.7	2.0	23.4	.8	13.2	.4	.8	...
Lion.....	1,160	51.0	202.2	-153.2	.7	103.8	...	97.7	...	...	...
L. & L. & G.....	5,874,930	41.9	55.7	2.4	4.2	26.3	6.3	11.2	3.5	4.1	...
London.....	1,942,326	48.5	57.3	-5.8	2.9	28.1	5.4	12.1	3.4	5.4	...
London & Lanc.....	2,260,294	43.9	55.4	.7	3.7	23.0	5.1	14.1	4.3	4.3	...
London & Prov.....	232,230	53.7	55.1	-8.8	2.4	24.0	5.0	11.9	4.8	0.7	...
London & Scot.....	240,484	42.9	55.7	1.4	3.0	25.8	6.6	12.3	4.0	3.3	...
Lumbermen's.....	768,168	39.8	50.9	10.2	3.4	31.3	2.9	7.6	1.8	2.0	...
Manhattan F. & M.....	630,553	48.7	62.3	-11.0	2.6	34.5	5.0	12.9	3.1	4.2	...
Manufacturers.....	67,808	39.3	57.7	3.0	3.0	34.9	2.7	8.2	1.3	4.2	3.1
Maryland.....	249,205	41.2	59.8	-1.0	3.0	37.3	3.4	8.9	3.1	4.9	...
Mass. F. & M.....	334,899	43.3	49.2	7.5	2.4	24.0	4.7	11.4	2.2	3.9	...
Mech. & Traders.....	670,543	44.0	52.1	3.9	2.1	28.3	4.0	11.6	1.8	4.3	...
Meiji.....	126,038	32.6	2.1	65.3	1.6	-28.6	...	8.9	.3	3.4	16.1
Mercantile.....	1,244,219	40.5	62.3	-2.8	6.1	32.1	4.3	12.9	3.0	4.4	...
Merchants, N. Y.....	2,678,656	37.7	46.7	15.6	1.5	31.4	.7	7.4	2.0	3.1	...
Merchants, Colo.....	752,548	42.4	56.8	.8	2.0	37.0	3.4	7.4	3.4	3.6	...
Merch. & Manufac.....	1,274,594	44.8	53.1	2.1	2.3	30.7	3.7	10.9	2.1	3.4	...
Mercury.....	1,315,412	44.2	49.5	6.3	2.4	28.0	3.6	7.9	1.7	4.9	1.1
Mich. F. & M.....	932,390	45.2	51.2	3.6	1.8	26.6	4.6	9.3	4.5	4.4	...
*Millers National.....	2,209,333	39.8	58.9	1.3	2.8	32.2	4.8	13.6	2.2	3.3	...
Milwaukee Mech.....	2,889,706	42.1	56.1	1.8	3.4	29.5	4.4	12.0	2.4	4.1	...
Monarch.....	854,478	45.9	61.0	-6.9	2.9	38.0	3.6	13.4	2.7	5.4	...
Natl.-Ben Franklin.....	1,067,101	42.0	56.1	1.9	3.4	29.5	4.4	12.0	2.3	4.2	...
National Fire.....	9,027,044	44.0	50.8	5.2	2.1	28.3	4.0	11.1	1.8	3.5	...
National F. & M.....	578,747	37.8	53.9	8.3	2.5	29.9	.2	13.6	2.8	4.8	...
National Grange.....	26,280	66.3	33.2	.5	.9	14.2	5.0	5.4	.6	7.1	...
National Liberty.....	3,611,172	46.6	42.4	11.0	2.2	26.3	3.0	4.8	1.1	2.9	2.1
National Reserve.....	804,064	48.5	55.4	-3.9	2.6	38.9	2.6	6.1	1.8	3.4	...
National Security.....	242,220	42.6	51.6	5.8	3.1	25.6	4.6	12.3	2.3	2.9	...
National Surety Mar.....	38	...	823.7	-723.7	...	105.3	13.1	526.3	13.2	165.8	...
National Union.....	4,523,444	42.1	51.8	6.1	2.7	28.8	6.0	6.9	2.5	4.5	...
Netherlands.....	291,930	44.2	55.8	...	3.1	31.6	4.7	9.9	3.0	5.1	-1.1
New Brunswick.....	950,127	49.6	47.1	3.4	1.9	33.9	1.8	4.4	1.6	3.1	...
New England.....	248,097	45.2	50.8	4.0	1.8	26.6	4.6	8.9	4.5	4.4	...
New Hampshire.....	3,220,740	42.6	59.1	-1.7	2.5	26.1	11.1	6.4	2.8	4.9	5.1
New York Fire.....	1,858,782	44.8	53.1	2.1	2.3	30.7	3.7	10.9	2.1	3.5	...
New York Under.....	747,180	42.1	52.3	5.6	2.3	30.7	5.9	7.1	2.1	3.2	1.1
New Zealand.....	416,654	40.7	46.8	12.5	5.6	14.1	7.2	11.6	1.3	2.0	8.1
Newark.....	1,889,012	41.4	54.1	4.2	4.2	26.1	6.2	9.8	3.5	4.0	...
Niagara.....	3,521,256	38.2	54.2	7.6	2.5	28.0	4.2	11.9	3.7	3.6	...
No. Brit. & Merc.....	4,234,364	42.2	59.5	-1.7	5.7	30.7	5.3	11.6	2.8	4.3	...
North River.....	4,018,282	44.2	55.8	...	1.7	31.6	3.5	12.2	2.8	4.0	...
Northern, Eng.....	2,714,324	46.6	52.9	.5	2.2	26.2	5.9	11.6	3.6	3.4	...
Northern, N. Y.....	3,190,554	42.7	55.6	1.7	2.7	33.4	4.7	7.6	2.8	3.1	1.1
Northwestern F. & M.....	388,586	40.5	52.0	7.5	3.3	33.3	3.4	6.5	1.4	2.8	1.1
Northwestern Natl.....	3,178,512	35.2	59.1	5.7	2.3	27.5	5.6	16.1	2.2	3.8	1.1
Norwich Union.....	1,925,064	44.8	58.5	-3.3	2.8	27.7	7.5	12.6	3.8	4.0	...
Occidental.....	613,523	42.3	51.0	6.7	2.5	24.7	4.8	11.1	3.9	4.0	...
Old Colony.....	1,035,617	40.3	53.0	6.7	1.5	25.7	6.4	9.7	4.2	3.6	1.1
Orient.....	1,165,415	41.3	54.9	3.8	4.5	21.7	6.1	12.0	4.6	5.0	...
*Ohio Farmers.....	1,529,592	40.3	63.2	-3.5	2.7	35.9	7.6	10.9	2.7	3.6	...
Pacific Coast.....	290,086	52.1	57.8	-9.9	1.7	36.6	3.7	9.2	2.2	4.3	...
Pacific.....	1,960,339	43.2	54.1	2.7	2.5	30.4	1.8	11.9	2.9	4.6	...
Pacific National.....	1,966,133	42.5	53.9	-26.4	2.3	38.2	9.2	22.2	3.1	7.8	...
Palatine.....	679,										

W. A. Waters Joins Hall & Henshaw

William A. Waters, who has managed the eastern department of Pacific National Fire at Philadelphia since the department was established in 1934, is joining the firm of Hall & Henshaw in New York. W. L. Wallace, vice-president of Pacific National, who has been in the east, will serve as manager for the time being.

In 1920 Mr. Waters began an insurance career during which he has occupied every company position from map clerk to executive. His first position was in the southern department of Queen at Atlanta, his home town. He was promoted from map clerk to examiner, but resigned in 1925 to accept a position in the finance business which took him to Pittsburgh, Chicago, Albany, and finally to Philadelphia.

He returned to the insurance business in 1928 to join Lumbermen as examiner in its home office in Philadelphia. About a year and a half later he was promoted to chief examiner and 19 months later was appointed as superintendent of agencies.

In 1934, when Pacific National set up an eastern department, Mr. Waters was selected as manager. The eastern department assumed the development and supervision of large territory including the entire east, south, and middle west. Beginning in a modest location the office steadily expanded until, about three years ago, it occupied its present extensive quarters in the Drexel building.

The eastern department has enjoyed sound and steady growth and a favorable loss ratio during Mr. Waters' administration. His ability in assisting producers will be a big asset in his new position.

The firm of Hall & Henshaw is one of the largest agencies in New York. It has been successfully operated for a period of over 50 years. It is agent for Pacific National.

Question on Reinsurance for Title Company

Question—We are wondering if you would be kind enough to advise us what sources we might turn to find a market for excess reinsurance for a title company.

Answer—So far as we know, there is no established market for this type of cover. One of the American reinsurance companies states that it has given consideration to the idea at different times and might be interested if the title company were sound and well established and desired a moderate amount of protection. It would shy away from any risk that had promotional characteristics and that desired to reinsure a high percentage of the risk, 90 percent for instance. Apparently title companies do not reinsure one another.

Harvey Nelson Clan Outing

The seventh annual outing of the Harvey Nelson, Jr., Clan is being held Thursday at the Yountakah Country Club, Nutley, N. J. Mr. Nelson is the son of Harvey Nelson, well known Jersey City agent and former president of the New Jersey Association of Insurance Agents. From a gathering of 25 friends of Mr. Nelson on the first get-together seven years ago, the party has now grown to 125. Among those who will take an active part are Leon A. Watson, Schedule Rating Office of New Jersey, and S. A. Mehrtorf of the Home.



W. A. Waters

	Premiums Earned	Country-Wide Experience				Expense	Analysis	Inspection & Bureaus	Taxes & Fees	Fed. Inc. Tax
		Underwriting Loss	Expense	Ratio-Net Gain	Claim Adjust-ment					
St. Louis F. & M.	221,867	32.7	64.2	3.1	2.8	35.2	2.8	15.4	2.1	5.8
St. Paul	5,290,245	42.7	51.4	5.9	1.5	22.8	8.7	8.4	3.7	4.0
Scottish Union	2,104,690	43.4	54.8	1.8	5.3	27.9	3.7	10.9	3.3	3.5
Sea	135,067	48.8	61.2	-10.0	2.0	37.3	7	13.5	3.9	3.8
Seaboard F. & M.	541,915	54.2	66.5	-20.7	2.4	34.9	5.8	14.5	5.0	3.9
Seaboard	212,903	42.4	52.1	4.5	3.9	26.2	6.3	9.3	3.5	4.1
Security, Iowa	483,582	40.8	65.3	-6.1	3.2	33.9	7.4	14.3	2.6	3.9
Security, New Haven	2,445,333	45.7	63.2	-8.9	3.7	29.2	10.8	10.0	4.1	4.7
Sentinel	248,097	45.2	51.5	3.3	1.7	26.6	4.6	8.3	4.5	4.6
South British	99,710	35.4	44.1	20.5	1.8	23.6	2.6	4.1	2.4	2.0
South Carolina	474,746	62.4	43.9	-6.3	1.6	40.3	...	1.9	1	1.5
Southern Fire	351,997	40.8	51.2	8.0	1.6	25.7	3.5	14.1	2.6	2.8
Springfield	8,435,309	45.2	51.4	2.4	1.7	26.5	4.6	9.4	4.5	4.4
Standard, Conn.	1,487,745	36.5	55.8	7.7	2.3	25.5	7.4	12.5	3.0	4.5
Standard, N. J.	845,360	44.0	52.2	2.8	2.4	29.8	3.4	10.7	2.3	3.1
Standard, N. Y.	1,034,058	44.1	103.3	-47.4	2.1	81.0	2.5	9.4	3.0	5.4
Star	1,532,900	42.1	54.1	3.8	4.1	26.3	6.3	9.6	3.5	4.1
State	536,533	48.8	57.4	-6.2	2.2	32.1	6.1	9.3	2.8	4.9
Stuyvesant	55,179	39.7	131.2	-70.9	4.2	18.5	15.3	72.8	6.8	13.6
Sun	2,231,208	50.8	54.1	-4.9	3.2	28.0	3.8	9.1	5.4	4.4
Sun Underwriter	287,718	47.2	55.0	-2.2	3.9	26.8	3.7	10.2	4.6	5.8
Switzerland Genl.	443,111	72.5	16.9	10.6	1.8	12.5	1	1	1.4	1.0
Tokio	599,890	43.1	-5.7	62.6	1.8	-41.9	2.9	7.8	5.0	5.5
Transcontinental	308,263	44.2	50.5	5.3	2.1	28.4	4.0	10.4	1.8	3.8
Travelers	7,627,315	42.9	61.5	-4.4	2.6	26.3	7.5	15.5	4.7	4.9
Twin City	213,318	41.9	45.2	12.9	2.1	33.3	1.5	3.4	9	1.4
Union, Eng.	698,535	43.0	54.2	2.8	2.8	25.5	6.4	12.2	3.5	3.8
Union, France	263,714	61.0	90.6	-51.6	3.3	62.5	4.6	11.8	4.0	4.4
Union, Canton	184,587	44.4	118.6	-63.0	2.3	99.7	2.5	6.2	5.1	5.8
Union Mar. & Genl.	249,954	39.7	52.3	8.0	3.9	32.4	2.1	9.8	1.7	2.4
United Firemen's	689,896	39.5	56.0	4.5	3.6	27.8	4.9	12.3	3.5	4.5
United States	6,783,455	43.8	52.1	4.1	1.7	27.8	3.5	11.9	3.0	4.1
Universal	14,105	99.0	22.1	-21.1	3.7	7.7	...	-1.3	7.7	4.3
Utah Home	330,774	43.7	51.7	4.6	1.5	40.0	3	3.9	2.3	3.6
Vigilant	18,083	27.8	135.9	-63.7	1.6	76.9	...	30.1	6.0	21.3
Virginia F. & M.	552,626	44.7	55.2	1	2.0	25.7	7.0	13.0	3.1	4.0
Washington Assur.	96,918	43.4	50.6	6.0	1.6	33.4	4.1	8.6	2.2	3.6
Westchester	3,452,451	41.5	52.2	6.3	2.3	26.2	4.1	12.5	3.8	3.3
Western, Can.	824,694	47.1	52.2	7	1.3	33.7	2.5	8.5	2.7	3.4
World F. & M.	850,281	45.6	46.8	7.6	1.3	27.8	3.2	6.2	3.1	2.7
Yorkshire	1,161,147	52.7	54.8	-8.5	2.4	24.0	5.0	11.8	4.8	6.7

*Figures are included in aggregates of mutual group and not in stock group.

MUTUAL COMPANIES										
Abington Mutual	\$ 231,396	40.8	43.7	15.5	1.4	24.8	1.9	11.1	2.6	1.9
Allied Amer. Mut.	107,399	37.7	27.2	35.1	3.2	1.6	1.9	15.3	1.7	3.5
Atlantic Mut., N. Y.	226,129	42.0	58.5	-5	1	10.1	...	35.7	4.0	6.9
Berkshire Mut.	673,616	41.7	41.9	16.4	1.8	23.4	1.3	11.0	2.3	2.1
Cambridge Mut.	328,401	39.1	48.2	12.7	2.0	24.9	3.0	12.6	2.9	2.8
Central Mfrs.	2,574,233	36.4	38.7	24.9	2.0	18.1	2.2	11.0	1.9	2.4
Citizens Mutual	85,511	35.3	41.4	23.3	1.2	23.3	3.2	9.8	2.8	2.1
Dorchester Mut.	206,951	42.3	44.4	13.3	1.9	13.5	2.5	20.4	13.5	2.7
Employes Mut.	87,908	35.2	27.3	37.5	1.3	9.0	1.2	9.2	3.5	3.1
Farm Bur. Mut., O.	135,230	58.3	63.9	-22.2	4.5	18.2	...	28.6	8.8	3.8
Farmers Alliance	437,351	43.2	56.3	5	3.6	28.5	2.5	17.8	1.4	2.5
Federal Mut.	384,677	36.0	42.3	21.7	1.7	22.1	1.4	12.6	1.8	2.7
Fitchburg Mut.	379,268	39.3	41.5	19.2	1.6	22.3	1.3	11.9	2.2	2.2
Grain Dealers	1,905,468	34.0	43.6	22.4	1.6	13.8	8.6	12.7	3.7	3.2
Hard. Deal. Mut.	3,669,061	33.3	33.1	33.6	1.9	9.3	3.0	13.9	2.8	2.7
Hard. Mut.	3,538,149	29.7	40.8	29.5	1.7	13.6	1.0	19.6	2.8	2.1
Hingham Mut.	243,428	41.9	42.7	15.4	1.2	18.1	1.9	16.6	3.1	1.8
Holyoke Mut.	615,873	37.3	45.8	16.9	1.7	23.2	2.3	13.4	3.0	2.2
Ind. Lumb. Mut.	1,581,141	40.5	37.7	21.8	1.1	15.2	4.0	12.6	1.1	3.7
Lumber Mut.	1,207,108	41.6	35.8	22.6	2.4	12.3	1	13.8	4.0	3.2
Lumbermen's, O.	1,868,680	38.2	42.5	19.3	1.7	19.2	8.0	9.4	1.0	3.2
Lynn Mut.	136,528	34.7	42.4	22.9	1.2	22.7	2.3	11.1	2.9	2.1
Merch. & Bus. Men's	452,382	43.1	31.1	111.0	1.4	22.0	36.8	11.2	1.2	2.9
Merch. & Farm. Mass.	165,691	36.4	26.6	27.0	1.3	5.3	3.6	19.0	3.5	3.8
Merrimack Mut.	844,449	35.1	40.2	24.7	2.2	20.2	3.3	9.5	2.3	2.7
Mich. Millers	2,004,781	37.8	46.4	15.8	1.9	29.1	2.7	9.2	1.5	1.6
Middlesex Mut.	480,057	35.4	41.0	23.6	1.2	22.7	2.8	9.2	2.8	2.2
Mill Owners, Ia.	1,790,070	33.0	45.3	21.7	1.2	23.8	4.7	9.4	2.7	3.5
Millers Mut., Ill.	1,378,438	32.9	38.6	28.5	1.2	5.6	10.5	10.3	2.5	2.5
Millers Mut., Pa.	550,316	32.1	45.9	22.0	8	14.9	8.4	16.7	1.9	2.2
Millers Mut., Tex.	811,912	36.9	40.7	22.4	1.6	15.5	4.6	15.6	7	2.7
Minn. Impl. Mut.	3,965,432	35.2	32.8	32.0	1.7	11.1	1.6	13.7	2.1	2.6
Mutual Fire, Me.	204,127	44.5	44.3	11.2	1.6	19.5	3.6	13.7	3.4	2.5
Mut. Fire, M. & Inland	435,342	51.8	39.1	9.1	2	18.9	1.0	16.2	1.0	1.7
Natl. Jewelers	74,255	16.3	46.2	37.5	1.2	3	40.6	4.2	2.1	1.7
Natl. Retailers	1,442,919	35.3	37.3	27.4	1.3	17.2	3.2	8.3	4.1	3.2
N. Y. Merch. Bk.	26,131	17.0	41.0	42.0	9	...	3.1	29.4	4.2	3.4
Norfolk & Ded.	355,260	40.5	50.7	8.8	1.4	22.0	2.9	17.7	3.1	2.6
Northwestern Mut.	5,682,508	33.6	43.9	22.5	1.4	21.6	3.0	12.4	2.3	3.2
Ohio Und. Mut.	174,858	31.8	33.5	34.7	1.6	20.0	1.1	8.6	1.0	1.2
Pawtucket Mut.	853,270	37.3	49.1	13.6	1.8	26.6	4.2	10.7	2.7	3.1
Penn. Lumb.	1,870,942	46.8	35.0	19.2	1.8	16.5	8	10.8	3.0	2.1
Penn. Millers	726,328	31.0	40.1	28.9	1.0	16.2	4.3	12.3	3.5	2.8
Quincy Mut.	962,918	36.5	41.8	21.7	1.5	22.4	10.9	10.9	2.4	2.2
Salem Mut.	74,543	39.9	39.4	20.7	1.4	8.6	1	23.6	3.5	2.2
Suffolk County	11,713	47.8	55.1	-2.9	6	19.9	5	32.1	...	2.0
Trad. & Mech., Mass.	215,242	42.1	48.1	9.8	1.3	19.1	4.2	17.4	3.5	2.5
Union Mut.	1,036,400	38.5	34.0	27.5	1.4	7.5	3.8	14.7	2.0	4.6
United Mut.	2,866,338	34.9	29.1	36.0	1.8	1.6	8.9	11.0	3.0	2.7
Vermont Mut.	533,973	39.0	42.5	18.5	1.6	18.3	1.0	17.2	9	2.5
Western Millers	698,263	42.2	47.0	10.8	1.9	28.5	2.3	10.2	1.4	2.6
Worcester Mut.	628,173	40.0	41.9	18.1	1.4	19.8	9	14.8	3.0	2.0
Workmen's Mut.	94,896	71.2	64.5	-35.7	4.2	...	3	51.2	3.0	5.7

FACTORY MUTUALS										
Amer. Mut.\$	754,972	15.4	12.5	72.1	...	...	...	3.5	7.5	1.4
Arkwright	1,946,929	13.5	15.9	70.6	4	1	9	7.5	6.1	.9
Blackstone	2,116,063	14.0	16.2	69.8	...	...	...	5.7	8.8	1.7
Boston Mfrs.	2,579,545	14.4	16.4	69.2	4	...	1.1	7.6	5.9	1.4
Cot. and Wool.....	577,311	13.2	16.8	70.0	4	...	1.6	7.8	5.6	1.5
Enterprise	754,972	15.4	12.5	72.1	...	...	...	3.6	7.5	1.3
Fall River	664,893	14.3	16.3	69.4	4	...	1.1	7.4	5.9	1.4
Firemen's Mut.	2,699,614	15.7	15.4	68.9	...	...	2.9	4.9	6.1	1.5
Industrial Mut.	288,655	12.2	17.3	69.5	4	...	1.5	8.0	5.6	1.5
Mfrs. Mut.	1,258,286	15.4	12.4	72.2	...	...	...	3.5	7.5	1.3
Mechanics Mut.	754,972	15.5	15.8	68.7	...	...	.1	4.6	9.7	1.4
Mill Owners	401,618	15.3	20.3	64.4	...	...	3.2	10.9	4.2	2.0
Phila. Mfrs.	857,330	12.3	15.6	72.1	...	...	.3	6.6	7.0	1.6
Protection Mut.	602,427	15.3	20.2	64.5	...	...	3.2	10.9	4.2	1.9
Rhode Island	1,258,286	15.4	14.1	70.5	...	...	.1	4.1	8.6	1.3
Rubber Mfrs.	577,311	13.2	16.8	70.0	4	...	1.5	7.8	5.6	1.5
State Mutual	1,509,944	15.4	16.3	68.3	...	...	.1	4.8	10.1	1.3
What Cheer	1,011,554	14.9	20.7	64.4	...	...	...	10.6	8.0	2.0
Worcester Mfrs.	664,894	14.3	16.1	69.6	.5	...	1.2	7.0	5.9	1.5

Chairmen of National Councillor Parleys at N. A. I. A. Meet



R. M. L. CARSON



GEORGE W. CARTER



ED H. MOORE



HAROLD I. CALLIS

Chairmen have been chosen for the national councillors territorial conferences, a feature of the annual meeting of the National Association of Insurance Agents, at Kansas City, Oct. 13-17. They are Russell M. L. Carson, Glens Falls, of the New York State Association of Local Agents, who will preside over the eastern territory; George W. Carter, Detroit, national councillor of the Michigan association, chairman for the mid-west territory; Ed H. Moore, Birmingham, secretary of the Alabama association, chairman of the southern territory, and Harold I. Callis, Santa Barbara, national councillor of the California association, who will preside over the far-west territory.

The meetings will be held concurrently on Monday afternoon, Oct. 13. They are called for 2:15 p. m.

On the following morning at 10 o'clock the meeting of the national council will be held with Vice-president R. W. Forshay in the chair. A heavy agenda for this meeting is in prospect.

On Tuesday morning, Oct. 14, also, the meeting of the state association offi-

cers will convene at 10 o'clock with executive committee, presiding. At the conclusion of these meetings the national councillors will join with the state association officers for a luncheon.

Premiums of Security Group Are Up 35.62%

An increase of 35.62 percent in net premiums written in the first six months as compared with the first six months of 1940 was recorded by the Security group of New Haven. The fire companies, Security and East & West, together increased their net premiums by 30.86 percent. In 1940, the 1939 figure of the group was bettered by 19.6 percent.

In the first six months net combined assets for the group increased by 4.10 percent, made up of a gain of 2.58 percent by Security, 3.87 percent by East & West and 14.09 by Connecticut Indemnity.

The premium reserve for the group for the first six months showed an increase over the same period of 1940 of \$803,515, made up of increases of \$451,476 by Security, \$195,040 by East & West, and \$175,998 by Connecticut Indemnity. Net surplus and voluntary reserves for the three companies as of June 30, were: Security, \$5,200,821; East & West, \$1,708,326; Connecticut Indemnity, \$604,852.

Premiums for the first six months were: Security, \$2,944,096; East & West, \$563,651; Connecticut Indemnity, \$735,914.

Sheffer-Cunningham Expands Staff

Sheffer-Cunningham, Wichita adjusters, have added two staff attorney-adjusters, V. L. Garrett and Worden Davis, both graduates of the University of Kansas law school. This brings the adjusting staff up to nine.



ANY DOUBTS?

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Our monthly magazine "The Pioneer" contains many interesting articles showing how effectively the analysis plan works. Send for a copy now of the current issue. Write to The Employers' Group Publicity Dept., 110 Milk St., Boston.

The Employers' Group...

Penalty Cotton Presents No Problems to Insurers

Insurers of baled cotton are interested but not greatly concerned at the recent action of the Agricultural Adjustment administration in raising the penalty on cotton raised in excess of acreage allotments to seven cents a pound. It has been three cents for the last two years. The penalty is equal to one-half of the basic price of 14.02 cents a pound.

The situation is entirely different from that involved in the government's recent action in boosting the penalty on excess wheat to 49 cents a bushel. While "penalty" wheat is ordinarily stored in buildings on the farmer's premises if he wishes to avoid the penalty by planting less wheat the next year, this is not the case with cotton, which on the average is in the grower's possession for only about two days from the time he takes the loose cotton to the gin. Some cotton owned by farmers is stored in warehouses but it is not customarily insured except in some sections, such as Memphis, where competition has caused warehouses to include insurance in the regular warehouse charge.

Could Allow for Penalty

In the event a warehouse were to burn and contained any insured cotton on which a penalty was due insurers would have the right under their policies to make the adjustment on the basis of paying the penalty. In fact, to do otherwise would probably be held to be against public policy.

There is almost no chance whatever that warehoused cotton bought from farmers would still be subject to penalty, as there are very strict laws governing the purchase of penalty cotton without taking care of payment of the penalty and these laws are much better understood than they used to be.

A farmer whose cotton is penalty free has a white marketing card and there is no restriction on buying from him. The farmer who plants in excess of his acreage allotment has a red card and purchases must be recorded on it to insure payment of the penalty.

Unlike Bankhead Act

Additional reasons why no trouble is expected even with the penalty more than double the 1940 rate is that this year's cotton crop is quite small and the demand should be sufficient to insure purchase of all of it, including that on which a penalty must be paid. Thus there should be little resort to bootleg sales. Another reason is that unlike the Bankhead act, passed in the early years of the Roosevelt administration and later declared unconstitutional, the present law is based on acreage and not on number of bales.

Consequently, cotton growers do not run the risk of unintentionally running over the allotment because of an exceptionally high yield. What has happened is that growers have taken low-yield land and by using commercial fertilizer boosted their crops, raising much more than their allotments originally contemplated but risking no penalty.

When the Bankhead act was in effect cotton underwriters feared the effects of the penalty, which was then, as now, 50 percent of the basic price. Policies were endorsed to provide that in the event of loss involving cotton on which a penalty was due and unpaid the insurers would hold out enough money to take care of the penalty, which would either be paid to the government or to the insured after the latter had shown evidence of the penalty's having been paid.

However, in spite of the much greater amount of penalty cotton involved at that time there is no record of any loss involving penalty cotton under which it was necessary to invoke

the provision of this endorsement. Since cotton insurance policies provide for the satisfaction of bankers' interests, and in the Mississippi valley, levee taxes, it was considered that the penalty, if any, would constitute a prior lien against the policy but the endorsement was added for the sake of clarification.

Since the chance of a penalty being due on any insured cotton is so remote today, it is regarded as unlikely that a special endorsement will be added to present insurance policies.

Losses More Numerous But Alarm Is Not Felt

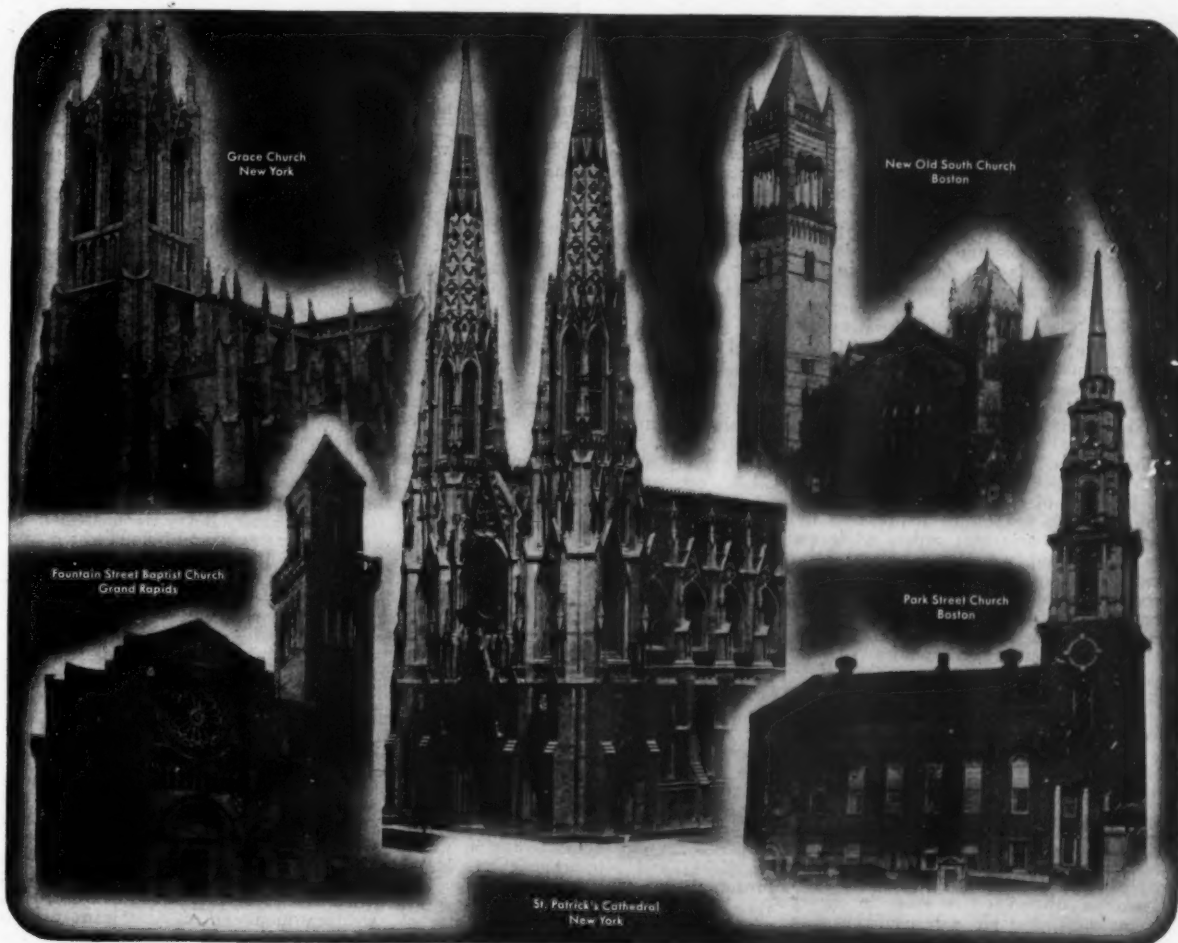
NEW YORK—While there has been a marked increase in the number of fires reported in recent months the aggregate loss has not been unduly severe. Indeed several offices report their losses during the past six weeks have been below normal for the period.

It was to be expected that both accident frequency and fire losses would increase in plants working at top speed

on war defense work and such has proven the case, but as an offset the insurers are getting additional premiums, and there is every incentive on the part of manufacturers to eliminate fire hazards.

The experience of the fire offices thus far in 1941 does not differ materially from that during the period of the world war.

Direct Reading Rate Finder & Cancel-Inter for calculating earned and return insurance premiums \$2. Order from National Underwriter.



Modern Fire Protection Safeguards these Famous Churches

A recent bulletin* of the National Board of Fire Underwriters contains the following statements:

"A study of church fires indicates one outstanding fact, and that is the importance of early discovery of the fire...However, these buildings can be given a high degree of protection through the installation of an automatic fire alarm system, which will assure the calling of the fire department before the fire has reached that stage where fire fighting is almost sure to be of no avail."

Shown here are some of the many churches that have met the hazards of belated discovery and delayed alarms by means of the Aero Automatic Fire Alarm System. Entirely automatic in its operation, Aero is on the watch for fire twenty-four hours a day, every day in the year, thereby assuring prompt discovery and prompt and accurate alarms, no matter what hour of the day or night a fire may break out.

*Bulletin #86, Committee of Fire Prevention and Engineering Standards, National Board of Fire Underwriters.

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Study Insurance Effect of Steel Priorities Order

NEW YORK—Wherein and to what degree the insurance industry will be affected by the OPM's order placing all steel, including alloys, under full priority control is a subject of intense interest.

It is generally conceded that through the sharp restriction in the allocation of steel, many plants engaged in the manufacture of goods not directly related to the war defense program must curtail the output of their product sharply; which will likely mean in turn a reduction in the amount of fire insurance carried, and if the strain becomes severe, an increase in moral hazard here and there.

Whether merchants will need additional coverage upon their stocks will depend upon the attitude they take as to the wisdom of stocking up at the present price of commodities, or decide to buy upon a day to day basis, in the thought that a ceiling may be fixed upon prices by edict of the Government. The priorities regulation is of particular concern in the writing of use and occupancy insurance, for here the measure of loss in the event of fire is contingent upon the time required to rebuild a plant and install new machinery and essential raw material for manufacturing goods.

Communities dependent upon a local industry of a non-essential character may suffer a season of depression by virtue of the priorities order, while on the other hand, many government contracts held by industries in large centers are being farmed out to smaller communities, to the considerable advantage of the latter.

So far as surety companies writing contract bonds are concerned, the priority order as to steel will have a beneficial influence in relation to defense projects, though the reverse will apply as to non-essential undertakings.

Oil Tanker Loss May Run \$200,000 on Cargo and Hull

The property damage involved in the explosion and burning of the Transiter, Canadian owned oil tanker, in River Rouge near Detroit will probably run close to \$200,000. The canal type tanker carried 15,000 barrels of high-test gasoline, in itself worth more than \$100,000.

British and American companies carried the hull insurance. It is understood that the cargo was insured. In addition to property damage there will be considerable protection and indemnity loss since one crew member is missing and two were seriously burned.

Four days after the explosion the gasoline still was burning in the ruined hull of the boat. The fire was left to burn out since use of water might spread the burning flames over the river and endanger other boats and property. No salvage is anticipated.

In spite of the hazardous cargo, it is unusual for a tanker to burn, marine underwriters say. Every precaution is taken on this type of modern steel boat.

Ohio Speakers Announced

Superintendent Lloyd of Ohio will speak at the luncheon Oct. 21 in connection with the annual convention of the Ohio Association of Insurance Agents in Toledo. The annual banquet will be held that evening. At the luncheon Oct. 21, Milo J. Warner, national commander of the American Legion, will speak. It is expected that aviation insurance will be discussed at length at the convention. One period will be turned over to the rural agents committee, of which Max M. Fuls of Chillicothe is chairman. At a round table panel discussion, authorities on fire, casualty, surety, inland marine and

Auspices for Property Insurance School Good

The American College of Life Underwriters program is readily adaptable to the property

and casualty insurance field, according to Dr. S. S. Huebner, president of the college, in a discussion of the proposed American College of Property & Casualty Insurance. The proposal is well under way, Dr. Huebner said, and reviewed the Chartered Life Underwriters program to show what can be accomplished in the other two fields.

Dr. Huebner points out that the C.L.U. program has done much to prepare the way for a property and casualty undertaking of a similar nature.

The C.L.U. has served as a unifying force educationally throughout the nation, a medium for formulating educational standards, a means of creating texts and other educational material, and a central agency to cooperate with universities and colleges and thus stimulate them to improve their insurance courses.

The advantages attained by the C.L.U. course can be attained in property and casualty insurance. It provides the ambitious an ideal to strive for and thus is an energizing force in the insurance business. It adds to the dignity of an insurance career, and is a vital part of a public relations program by increasing the confidence of the buying public in insurance men. It places insurance on the national educational map with universities and colleges, and has led to an immense increase in the number of insurance courses given. It has led to establishing new survey courses in universities for lay students who desire a fairly comprehensive knowledge of the principles and services of insurance but who do not intend to enter insurance as a business, which is an important factor in public friendship and support. It has had a profound effect upon methods and standards of selecting new insurance personnel.

All this can readily be duplicated in property and casualty insurance under the auspices of the American College of Property & Casualty Insurance. The latter can begin with the wealth of accumulated experience already gained from 14 years of operating the life college. This experience will save a good deal of time and money and will therefore be helpful during the formative years of the new college. Problems it will face will be similar to those already met by the C.L.U.

other types of insurance will take part. The customary golf and bridge tournaments will be held.

E. D. Lawson, western manager of Fireman's Fund in Chicago, has returned with his family from a vacation cruise on Lake Michigan in his cruiser, the "Jandeled." His boat "mothered" the junior team of Burnham Park Yacht Club, of which he is a member, in the "Star" class sail races. This team won the Great Lakes championship in its class at the races near St. Joseph, Mich., and soon will compete for the national junior "Star" class championship off Marblehead, Mass. J. J. Ferguson, assistant western manager, now is a yacht owner, having purchased a "Sea Gull" type sail craft, and is vacationing on Lake Michigan.

H. J. Drake, counsel of the Association of Casualty & Surety Executives, is again at his office after an illness of several weeks.



Dr. S. S. Huebner

Detroit Rate Probe to Cover All Mich.

LANSING, MICH.—At the specific request of Governor Van Wagoner, a projected hearing on Detroit's request for lower fire insurance rates on dwellings is to be extended to cover virtually the entire state. The governor last week asked Commissioner Eugene P. Berry to order an immediate 15 percent rate reduction on dwellings in Detroit, pending a hearing Sept. 15 in Lansing to discover whether an even deeper rate slash would be feasible. The commissioner, however, cited the anti-discrimination statute which provides that no such rate orders may be issued prior to a public hearing.

Commissioner Berry, after receiving the governor's request for expansion of the rate survey, ordered all fire carriers licensed in Michigan to file all pertinent information relative to premiums and losses in all classifications and sections of the state.

The governor said a special committee which has investigated the situation in Detroit at the behest of Mayor Jeffries found that the companies have been making a 30 percent profit on dwelling premiums, compared to about 6 percent for the state as a whole. Commissioner Berry said department figures, based on company reports, reveal a sharp drop in losses since 1932 but that there has been no reduction in dwelling rates since 1929. The commissioner said particular attention will be paid, in the coming investigation, to the 41 Michigan cities in classes 2 to 6.

Commissioner Berry is chairman of the state rating commission, which also includes in its membership the banking commissioner and the attorney-general. This commission had expected to review the Detroit situation shortly and it is now anticipated that its inquiry will be extended to the rest of the state.

Fleming, Doremus, Garlichs, Mays on Kansas Program

A number of the speakers have been announced for the annual meeting of the Kansas Association of Insurance Agents at Salina, Sept. 24-26. They include T. A. Fleming, supervisor of conservation of the National Board; Fred W. Doremus of Rockford, Ill., western manager of American; Milton Mays of New York, director of the Business Development Office, and L. W. Garlichs of St. Joseph, Mo., member of the executive committee of the National Association of Insurance Agents.

John L. Vorse is president of the Salina Insurance Board and is chairman of the program committee. Dan Bolin is vice-president of the Salina board and general chairman of the convention committee.

Victor G. Henry of Wichita, vice-president of the Kansas agents' association, and president of the Wichita association, is in charge of the speaking program.

Appleton & Cox to Use Lighthouse "Ad" Series

Appleton & Cox, nationally known marine underwriters, announces its new trade journal campaign, headlined "Guardians of the Sea," will start in September. Each advertisement will feature an original drawing of a famous lighthouse, with descriptive copy that will prove interesting and instructive.

The program will include 12 advertisements, the first showing America's first lighthouse, built in Boston harbor, and the last illustrating the modern streamlined Grays Reef light, near Mackinac Island in Lake Michigan, recently constructed with PWA funds. The program was prepared by Parker-Allston Associates, advertising agency handling Appleton & Cox account.

Insurance Premium Dollar and Where It Goes

In a recent issue the "American Agency Bulletin" broke down the fire insurance premium dollar. Every once in a while some one desires to know just where the policyholder's dollar goes. In the analysis it is found that 43.27 cents are paid back to the public for losses and loss adjustment expenses. Then employees' salaries and agents' commissions amount to 37.23 cents. This, of course, is a return to the public in purchasing power. Rents and other management expenses call for 5.49 cents. This is a return as an indirect purchasing power. There is paid to the government in the way of taxes, excluding real estate, 4.18 cents. The increase in the unearned premium reserve which adds to the financial security of a company for the better protection of policyholders calls for 5.91 cents. There is set up in the way of addition to surplus and special reserves 3.92 cents.

Set Georgia Mid-Year Meet for Nov. 18-19 at Macon

ATLANTA—The executive committee of the Georgia Association of Insurance Agents voted to hold the mid-year meeting in Macon Nov. 18-19, to go ahead with its projected safety education program and placed the organization and direction of its educational work in the hands of Irwin Wootton as educational director.

A membership drive will be conducted, dividing the state into two districts, the northern and southern, those two districts to be subdivided into five zones. A director will be named for each district and a captain for each sub-zone.

Approval was given to the proposal to redesign the association's monthly paper, "Crackers from Georgia," in magazine style, with several special features.

Declaration of Principles

The idea of a declaration of guiding principles was again discussed, the main point revolving around the problem of part-time agents. Definite action was again deferred, but with the committee still on record in favor of the plan.

The automobile finance company plan adopted about a year ago by the Florida association was explained by Rutherford L. Ellis, president of the Georgia association, but no decision was made on whether or not it would be advisable for the Georgia organization to consider the establishment of such an enterprise at this time.

To Name Mo. Superintendent Soon

JEFFERSON CITY, MO.—Governor Donnell is expected to make a definite decision on his appointment for the state superintendent of insurance shortly. Superintendent Lucas has asked that his successor be named by Aug. 15 if possible because he is anxious to resume the private practice of law at Benton, Mo. He has, however, expressed a willingness to cooperate in every way with his successor to work out some of the problems now confronting the department.

Warning to Gas Hoarders

Motor commissioners in New York and New Jersey have warned against the hazard of storing excessive quantities of gasoline in private garages, pointing out the danger to life and property created thereby. The threatened rationing of gasoline in sections of the east prompted many motorists to resort to gas hoarding.

NEWS OF FIELD MEN

Michigan Field Men Will Honor B. L. Hewett, Jr.

DETROIT—Michigan's field men will honor B. L. Hewett, Jr., assistant manager of the western department of the Boston and Old Colony, who was formerly special agent of the companies in this territory, at a testimonial banquet in Lansing Sept. 9. The event will be held at the Lansing Country Club, of which Mr. Hewett is president. It will be sponsored by the Michigan Blue Goose, of which J. F. Bohrer, Camden, is most loyal gander.



B. L. Hewett, Jr.

There will be brief business sessions of the Michigan Fire Underwriters Association and of the Michigan (Bureau) Field Club in the morning, with the afternoon devoted to a golf tournament. G. H. Haage, Norwich Union, will preside at the Fire Underwriters Association meeting and D. B. Gamble, Millers National, at the Field Club session.

Beale Executive Special Agent of Paramount Fire

NEW YORK—W. M. Beale has been appointed executive special agent for Paramount Fire and will have supervision over its entire field activities. He has been connected with the company since its formation and had been covering the southern territory, with headquarters in Memphis. Before entering insurance he was a regional officer for the Home Owners Loan Corporation.

Boost Beale's Candidacy

On the eve of the grand nest meeting of the Blue Goose at Asheville, N. C., the Texas pond has sent out campaign material in behalf of Charles L. Beale, Texas state agent of Yorkshire, who is one of a field of four candidates for grand keeper. There is included a copy of a letter from E. C. Gambrell, of Dallas, president of the Texas Association of Insurance Agents, to Most Loyal Gander J. F. Miazza of the Texas Blue Goose, stating that the agents of that state would be very gratified to have Mr. Beale elected.

The campaign folder contains a picture of Mr. Beale and a sketch of his career and his interests. After finishing school Mr. Beale was in the naval service for a time and then was connected with the federal reserve bank. In 1921 he went with the T. A. Manning & Sons general agency of Dallas and progressed until he became special agent in Texas. In 1923 he went with National Union and three years later joined Yorkshire.

He has just completed an outstanding term as most loyal gander of the Texas pond. During his administration a puddle was organized at Abilene. Two joint meetings with the Oklahoma pond were held during the year. The Texas Blue Goose has a membership of 239, the South Texas pond in Houston has 128 members and the Alamo pond in San Antonio has 67.

Dick Assigned to Ky., Tenn.

Kenneth A. Dick has been appointed special agent in Kentucky and Tennessee by National Fire.

Mr. Dick is a native of Louisville, graduated from the Speed Scientific School of the University of Louisville, and entered the employ of the Kentucky Actuarial Bureau in 1935. He was employed by the western department of National Fire in Chicago in the engineering division, where he was given a special course of training in engineering and service work, also inland marine and automobile. He will assist State Agent W. P. Huffman.

neering division, where he was given a special course of training in engineering and service work, also inland marine and automobile. He will assist State Agent W. P. Huffman.

Bardwell with New Company

INDIANAPOLIS—E. C. Bardwell has been appointed state agent of Secured Fire & Marine, now being organized in Indianapolis. While it will be several months before the company begins to write business, Mr. Bardwell will do preliminary work in establishing groundwork for an agency plant in Indiana, says W. A. Watts in making the announcement. Mr. Bardwell has had 20 years experience in the field of fire underwriting including home office, local agency, field work and loss adjusting. He was for several years with the National Inspection Company, later with Grain Dealers National Mutual Fire and Fireman's Fund in field work.

New Head for La. Blue Goose

William Gayle, formerly of Leftwich & Robinette, New Orleans, and now engaged in work with the construction quartermaster at Camp Livingston, La., has resigned as most loyal gander of the Blue Goose. Louis Vauthier of Godchaux & Mayer was elected to succeed Mr. Gayle. Other officers are: Herman M. Holland, Hartford Fire, supervisor; H. F. Foster, Automobile, custodian; Ed. T. Miazza, Fire Companies Adjustment Bureau, guardian; Alvin Shepherd, general agent, keeper, and Jules Simon-eaux, welder.

Garrett Makes Field Shifts

Dale Estell has been transferred from Kansas City to Wichita as special agent for Garrett, Inc., Kansas City general agents, taking over the territory of William Corrigan. Mr. Corrigan has been sent to the home office of National Lloyds in Baltimore, of which Garrett, Inc., recently obtained control. Mr. Estell will have his office at 1222 East Douglas, Wichita.

Farewell for Mrs. Knisely

The Wichita Blue Goose auxiliary held a farewell luncheon for Mrs. Hugh L. Knisely, president-elect, whose husband, southern Kansas state agent of the North British group for 14 years, has been transferred to the Nebraska field with headquarters at North Platte. Mr. Knisely has been active in field club and Blue Goose circles and is replaced in Kansas by William Stewart, formerly Oklahoma state agent of Kansas City Fire & Marine.

D. R. Goodell to Yorkshire

David R. Goodell has been named as special agent to cover Oregon and Washington by the Yorkshire. For the past six months he has been with Fireman's Fund. He is a son of Lane Goodell, special agent of America Fore in Oregon for years.

At a special meeting of the Utah-Idaho Blue Goose in Salt Lake City, W. J. H. Montgomery, Home of New York, most loyal gander, was chosen grand nest delegate.

CHICAGO

DEMAND FOR OFFICE HELP

In Chicago there has been quite a little poaching on the private preserves of agency and company offices for help in view of young men being called in the draft or employees going into industries where they are better paid. Therefore some offices have endeavored to beguile employees of other insurance firms away by guarantees of more salary. Some of the young men, realizing that wage earn-

ers were getting much more money than some of the office workers, have been taking courses in trades and have gone into those industries. The problem of employment, however, has quieted considerably the last two or three weeks.

STABLES AND HORSES BURN

An insurance loss of \$40,000 was sustained when fire swept through the Henry McNair stables at the Union Stock Yards, Chicago. Eleven horses, including a stallion valued at \$4,000, perished in the flames. All of the animals were exhibition stock and the loss on them will run about \$25,000. The horses were insured in Hartford Live-stock.

PAXTON HONORED ON RETIREMENT

Hoyt F. Paxton, comptroller and office manager of Fred S. James & Co., Chicago, was the guest of honor at a luncheon, given by the firm's partners and members of the Old Timers Club. Mr. Paxton is retiring from active business Aug. 15.

Mr. Paxton joined the organization 35 years ago in the accounting department. For a number of years he has been comptroller and office manager in Chicago and in charge of the office and accounting department of the James New York office. Mr. Paxton was presented

a sterling silver coffee service by Vice-president Elmer J. Schafer.

Mr. Paxton helped organize the Employees Club and the Employees Thrift Club. His hobby is gardening, and he served for two terms as president of the Men's Garden Club of America, of which he now is national secretary. His home is in Elmhurst.

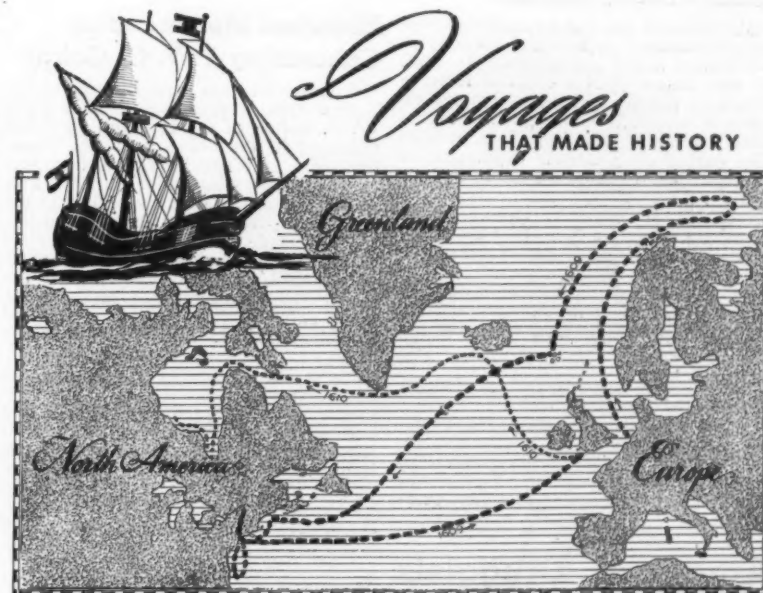
COMMITTEE IS NAMED

The committee on order of business for the semi-annual meeting of the Western Underwriters Association at White Sulphur Springs, W. Va., Sept. 16-17, consists of F. W. Doremus, Rockford, Ill., western manager American, chairman; R. D. Safford, vice-president Travelers Fire; E. H. Forkel, associate western manager National Fire; John L. Mylod, assistant U. S. manager of North British & Mercantile; S. H. Quackenbush, assistant western manager of Crum & Forster.

The committee will hold a meeting next Tuesday morning in Chicago.

S. L. Fink of the Fink & Co. agency, 166 West Jackson boulevard, Chicago, has returned to his office after several weeks at the hospital. He is able to work a few hours a day.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.



After two unsuccessful attempts to find a shorter route to China, Henry Hudson continued his search when the East India Co. employed him in 1608 to set sail for America. In the "Half Moon" he arrived in Penobscot Bay and worked down the Coast. Then he turned north and soon entered New York Bay and the river which bears his name. Sailing up the river as far as Troy, he was convinced that this could not be the strait leading to the Pacific. Next Spring, Hudson again set sail, making his way further north into the inland water now known as Hudson Bay. His crew, angered by hardships of the past winter, demanded to return home. When Hudson refused, he, with his son and 7 sick men, was set adrift in an open boat on Hudson Bay. Nothing more was heard from any of them.

CONCENTRATED effort in the right direction is the keynote of success!

The modern agent concentrates his efforts in the right direction when he consults Appleton & Cox, Inc., on all ocean and inland marine problems.

Underwriters for a large group of stock fire insurance companies, and thoroughly equipped with the most modern facilities, Appleton & Cox, Inc., are regarded as outstanding specialists in this highly specialized field! Next time you have a marine risk, let us demonstrate our point.

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NEWS OF THE COMPANIES

Prickett Now Heads Two Reinsurers

Karl E. Prickett has been elected president of Reinsurance Corporation of New York. The position has been vacant for some time. Mr. Prickett will continue to serve as president of the affiliated National Reinsurance Corporation, which he helped organize and of which he has been chairman of the executive committee and chairman of the finance committee since its inception.



Karl E. Prickett

Sharing reinsurance risks with the two reinsurance corporations is Excess Reinsurance Association composed of Aetna Fire, American, Camden Fire, Continental, Fidelity-Phenix, Fire Association, Glens Falls, Hanover, Home, National Union, Springfield Fire & Marine.

The Excess Management Corporation, which has been the underwriting manager of the two reinsurance companies and of the Excess Reinsurance Association since inception, will continue in that capacity.

Extensive Banking Experience

Mr. Prickett has had extensive experience in banking, finance and industry in the United States and abroad. In 1921, he was loaned by the Federal Reserve Board to the War Finance Corporation when it was revived to refinance industries, railroads, banks and loan companies during the post-war depression of 1921-25. Mr. Prickett organized and directed field audits and examinations and served, in addition, as liaison officer between the loan agencies over the country and the directors of the War Finance Corporation in Washington.

In banking, Mr. Prickett spent six years in Europe, South America and the Far East where he supervised for the Federal Reserve Board and the comptroller of the currency the operations of all the foreign subsidiaries and foreign branches of American banks.

During his business career, Mr. Prickett has served as a senior executive officer and director of a leading industrial concern and as director of insurance companies, banks and investment companies.

American Druggists Hit by Suit

Suit to recover \$681,423 from the directors of American Druggists Fire of Cincinnati has been filed in common pleas court by H. C. Knecht as a stockholder. The principal charge is that the directors invested more than 45 percent of the assets in the American building at Central Parkway and Walnut street and the adjoining garage and that they paid out money illegally.

Knecht alleged that the directors expended \$971,386 for putting up the American building, paid \$46,000 for the land and purchased land for \$53,000 and erected a garage costing \$180,000, making a total investment of \$1,250,386 which exceeds 45 percent of the assets.

Knecht alleges that American Druggists has retained the building as an investment and as part of its assets without obtaining authority from the insurance department. Through a pre-arrangement the suit charges that the garage was turned over to the American Building Garage Company under a contract for sale with a privilege of repurchase, the garage company paying the insurer \$180,000 and receiving an unconditional guarantee from the insurer

company of an annual dividend of 8 percent of the \$200,000 capital stock of the garage company.

Knecht alleges that the insurer and the garage company are governed by interlocking directorates. Under this contract and guarantee of 8 percent on the stock, the suit alleges that the insurer has paid the garage company a total of \$177,437 from 1929 to 1940.

Knecht alleges that the contract and the payments to the garage company were concealed from the knowledge of stockholders and that the option and repurchase agreements were withheld from the company's records. Knecht charges that in 1935 an air conditioning system was installed in the American building at a cost of \$85,000 for speculative purposes and was not approved by the stockholders.

The suit alleges that in 1930 the directors organized the American Druggists Security Company, the directors of which could only be directors of the insurance company and that the insurance company guaranteed this new company a dividend of 7 percent upon its \$25,000 preferred stock.

Hartford Fire Meeting

HARTFORD—The directors of the Hartford Fire will meet next Monday and very likely will take up the question of electing a president to succeed the late R. M. Bissell.

Historical Memorandum Concerning J. W. G. Cofran

A subscriber has sent THE NATIONAL UNDERWRITER a sketch of the late John W. G. Cofran of the Hartford Fire that appeared in the "History of the Hartford Fire 1810-1910." Mr. Cofran was formerly general agent for Hartford Fire in San Francisco, then was called to the western department in Chicago and finally was made vice-president at the head office. The subscriber sent this to THE NATIONAL UNDERWRITER in view of the recent reminiscences that appeared in these columns following the death of President R. M. Bissell. The sketch reads:

"John W. G. Cofran of Chicago was elected vice-president Dec. 1, 1909. He also is of New England stock. He was born in Goshen, N. H., June 13, 1855. After his father's death he continued the farm work alone for some time and then, finding little in its prospects to satisfy his ambition, he started for the Pacific coast. Hardly more than a mere lad, he had only his grit and \$15 in cash as his assets when he found employment as office boy in the San Francisco office of the Commercial of California. This was in 1874. In 1879 he opened a department for the Commercial in Portland, Ore., having Oregon, Washington and Idaho for his territory.

"In 1881 the Hartford had pushed its way into Oregon and Mr. Cofran accepted a position with it, having the same territory but with British Columbia added. He reported to the Pacific department with headquarters in San Francisco. A. P. Flint, the general agent there, died in December, 1885. Thereupon, Mr. Cofran was made general agent in San Francisco, and with H. K. Belden, who had been a California special agent, the firm of Belden & Cofran was formed, general agents for the Pacific coast and the Hawaiian Islands. The northwestern department, in Oregon, was merged with that in San Francisco.

"On the death in 1895 of General Agent G. F. Bissell, Mr. Cofran was transferred to Chicago as assistant general agent of the western department with General Agent P. P. Heywood. Mr. Heywood dying in 1896, the general agency firm of Cofran & Bissell was formed, consisting of Mr. Cofran and R. M. Bissell. When Mr. Bissell left Chicago to go to the home office as

vice-president in 1903, A. G. Dugan was called from Kentucky and the firm of Cofran & Dugan was formed, continuing until Mr. Cofran was summoned to Hartford as vice-president. In the opinion of everyone who had known Mr. Cofran or had followed his remarkable career in the west and northwest, his promotion was well earned and meant increased efficiency for the company."

Cold Storage Locker Units Increase in Number; Insurance Needs Cited

A present day development of some magnitude is the installation and operation of cold storage locker units for small tenants. They have sprung up throughout the country by the hundreds. In a good many places they are an adjunct of a butcher shop. Some are operated by farmers cooperatives. There are a variety of tenants. Frequently a hunter will rent locker space when he brings home a good supply of game. A farmer may slaughter beef or hog and keep the carcass in such a locker. Men with large families may buy an entire beef for purposes of economy. Amateur fruit raisers may use the locker for a

supply of peaches or strawberries or something of the kind.

Most of these units are of excellent construction and are first class risks. Until rather recently most of the insurance for the benefit of the tenants was written under a marine contract. The most common form was one that covered specified perils, they being fire and extended coverage and machinery breakdown as a consequence of the perils in the fire and E. C. contracts plus theft or burglary. The rate that was charged generally was the fire and extended coverage rate plus a small loading. The policy was written in the name of the owner of the locker unit for the benefit of the tenants. There was a limit per locker, usually \$10 or \$25 and the amount of insurance was based on the locker capacity times the limit of liability per locker.

However, the joint committee on interpretation and complaint ruled that such business could not be written under an inland marine form in those states that have adopted the uniform definition. In those states much of the business has been converted and written under a regular contents form, perils being insured against being those in the fire and extended coverage contracts. Consequential damage is covered at no extra charge.

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Capital Stock Company Insurance — the only kind this company writes — is the safest and most economical insurance you can buy. Be sure that your insurance is all written in reliable capital stock companies.

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 INSURANCE EXCH.

KANSAS CITY,
 MISSOURI

Talk of Uniformity in Reporting Forms, But Skeptics Scoff

Pacific Board Considers Changes, State Forms Vary in Many Ways

Reports that the Pacific Board is considering a change in its provisional reporting forms, which are the equivalent of single state reporting forms in other jurisdictions, have revived speculation over the possibility of some unified action to make these forms reasonably uniform in the different jurisdictions. There have been rumors to this effect for some time and there is no official indication that any such move is under way, but there has been a strong feeling in the business that it would be highly desirable.

With the Interstate Underwriters Board making Forms No. 1 and 5 applicable to stock in manufacturing locations, and with the likelihood that many states will follow this practice with single state reporting forms, many observers feel that now would be an ideal time to start a movement for uniformity. Probably this last change is what is being considered by the Pacific Board.

Pacific Coast Differences

The Pacific Coast provisional reporting forms are called Nos. 1 and 3, but in general they are similar to single state forms A and B. They may be written at a single location (preceding other jurisdictions in this respect) exclude property at manufacturing plants controlled by the assured, have a minimum premium of \$100 and use the specific rates at each location. There are no Pacific Coast counterparts of I. U. B. and single state forms Nos. 1 and 2, which require five or more locations, take a \$300 minimum premium and use average rates.

One of the most important differences between the Pacific Coast forms and the others is that the provisional reporting forms may be written for three years, with term credits, when covering property eligible for term rating. All reporting forms in other jurisdictions may be written for one year only. Another difference is that the provisional amount of insurance, on which the deposit premium is based, is established after review of the assured's past values or estimated values, while in other states it is set at 75 per cent or 50 per cent of the limit of liability. With a fairly large risk, taking more than the \$100 minimum deposit premium, this can be an important competitive factor.

Many State Variations

While only the Pacific Coast and the Texas forms differ materially in wording from those in general use, there are a number of differences in rules and also in the speed with which changes are made. For example, Forms A and B in the middle west were extended to cover single location risks about two years ago, while this was done in New England only last month. Probably the same will happen with the extension to property in manufacturing buildings.

WANTED

Experienced fire insurance examiner, Chicago metropolitan area. In reply state age, experience, salary expected, etc. Address N-92, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Since I. U. B. forms A and B follow the rules for single state forms A and B in the states in which they attach, this can mean a number of variations on a single interstate risk.

Cynics point to the extended coverage endorsement as an argument against optimism about uniformity. This was drawn up as a nationwide uniform form in 1937, having been planned at a series of interregional conferences after insurance buyers had expressed their dissatisfaction with the many state variations. It was never adopted on an absolutely uniform basis throughout the country, but the majority of states did put it in force and it looked for a while as though uniformity would be achieved. Since then, however, there have been many changes put in force in the different states and today uniformity seems as far off as ever.

Insurer Guarantees Fire Department Fee in County

Farmers' Mutual of Lake Elmo, Minn., which writes practically all of the farm business in Washington county of which Stillwater is the county seat, has an agreement with the fire department of Stillwater to pay \$25 for each and every call in the county outside Stillwater. The insurer wants service rendered immediately instead of the fire department finding out first before they make a run where the insurance is carried. In other words, this company is willing to pay this charge, as they write most of the business and want quick service.

New Rating for New Orleans

NEW ORLEANS—For the first time the city of New Orleans has an average published rate on all of its property. The business was written last year for a three-year term at a guaranteed rate of 55 cents. As a result of the work of a committee of five insurance men who handled the business and the city's co-operation, the Louisiana Rating & Fire Prevention Bureau has published an average rate of 48 cents for three years. The committee's recommendations as to fire protective devices such as extinguishers, sprinklers, and extension of water mains were followed out by the city and resulted in a rate 7 cents lower than the rate at which the business was originally written. Practically all agents in the city shared in the commissions, members of the committee getting a larger share for their work. Members of the committee who handled the business are: M. J. Hartson, Jr., John X. Wegmann, Leon Irwin, Jr., Bryan Bell and John Whitty. The city business includes all public property except the sewerage and water board, school board, and Housing Authority, which is handled separately.

Uses Pictures of Lines

Thomas E. Clark, Florence, Ala., agent, uses a novelty in insurance solicitation. He carries an envelope containing glassine envelopes, in which he inserts pictures of properties he insures. He says that clients are impressed with this evidence of an insurance man's business and usually are much interested in looking over the collection. When an order for insurance is given, the assured almost invariably is very anxious for his house or business building to be added to the folder.

CALLED TO SERVICE

L. E. Osbourne, special agent at Columbus, O., of American Surety, has been called into active service by the army, and is now a first lieutenant of the 38th division at Camp Shelby, Miss.

D. R. McLennan, Jr., vice-president Marsh & McLennan, Chicago, son of the chairman of the agency, has volunteered for service and has gone to Washington, D. C., in the naval administration department awaiting further assignment.

Find Classical Tradition for "And/Or"

The current revival of debate regarding the merits or evils of the phrase "and/or" which is so familiar to insurance men has been augmented by this contribution by an editorial writer of the Detroit "News."

"The action of the insurance department of the state of Nebraska in placing a ban on the use of the phrase 'and/or' in papers offered for its consideration moves us to look into the history of this verbal hybrid which has lately drawn the fire of commentators and purists of all sorts and of jurists in obiterdicta. "We find to our astonishment that it is not a recent invention, of the kind of fellows who 'contact' the prospect and 'get his reaction,' or the legal profession in its eternal plot to obfuscate the rest of us. In fact, it goes back at least to Magna Carta where, in the thirty-ninth clause, it is written in Latin: 'Nullus liber homo capiatur vel imprisonetur—' which translated says 'No freeman shall be taken and/or imprisoned—' Later, in the same clause, appears the passage '—nisi per legale iudicium parium suorum vel per legem terre—' and this means '—except by the

lawful judgment of his peers and/or the law of the land.'

"Thus, then, we find that the Latin 'vel' is the ancestor of the despised 'and/or,' 'vel' being the imperative of 'volo' and hence 'take what you please.' We have no doubt the hard-minded Roman was much put out by the use of 'vel' in documents of his time, and wrote in horror concerning it to the local press. That it survived then, and since, must be a testimony to its convenience."

Large Insurance Clan

Mrs. Umberto C. Crosby, widow of the former United States manager of the Royal Exchange, and connected with several distinguished insurance families, observed her 98th birthday at her home in Brookline, Mass. Her sister was the wife of the late E. G. Richards, one time United States manager of the North British & Mercantile; her son, Everett Crosby has been with the New York office of Brown, Crosby & Co., of Philadelphia; her grandson is Arthur Crosby, partner of Brown, Crosby & Co., and a cousin, who joined the family party, is John J. Cornish of Field & Cowles, Boston. Many years ago U. C. Crosby and J. B. Cornish, father of J. J. Cornish, were special agents together for the old Phoenix in the New England field.



X marks the SPOT

where payroll robbery insurance was needed. An item in the daily paper describing a hold-up must necessarily interest other concerns in the neighborhood, and often brings about the thought that "this might have happened to me!"

Phoenix-London agents make the most of such opportunities to sell hold-up insurance. Many agents materially increase their business in this manner—a two-fold increase, since these new assureds are open to solicitation for other forms of Phoenix-London coverages.

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NEW YORK CITY
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Insurance Co., Ltd.
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Co., Ltd.
Phoenix Indemnity Company

OBSERVATIONS

Cost Control in Reverse

One of the casualty managers in Chicago, who is sympathetic to the acquisition cost program, tells jokingly, however, of how the project has caused him to increase commissions of two or three agents. On some risks that presented unusual characteristics and where the agent was particularly anxious to get a market, this manager got the agent to agree to accept a lower scale of commission than was customary. Now that the acquisition cost program is in effect, this manager has received calls from such agents saying: "Now, do we get our full commissions?"

Practical Claims Psychology

A good claim man is one who is able to apply practical psychology. The story is told of the successful method of one claim man who closes on a favorable basis a good many cases two particular times in the year when most people have special need for funds. He runs through his files of cases that are pending in the courts about the middle of December, just before Christmas and selects those that are likely to come to trial within the next two or three months. If there is a lawyer in the case he calls the lawyer or if not he calls the claimant direct. He does not bring up the question of a settlement but discusses some minor phase of the case.

This call gives the lawyer or the claimant an opportunity to mention the matter of a settlement and because of the particular time of the year, the lawyer or the client does bring up the question and very frequently a satisfactory settlement is then arranged. This claim man goes through the same process towards the end of June, knowing that the vacation season is likely to be ahead for the claimant and that the

prospect of getting some cash in hand immediately would have strong appeal.

Better Construction in This War

One of the differences between the present defense situation and conditions in the world war that interests insurance men is the type of construction of large war plants. Plants constructed with Defense Plant Corporation funds since the present defense program began are of reinforced concrete and steel, with welded steel roofs. Every engineering and material precaution is being taken against bombing, explosion and fire. Instead of dividing the plants with fire walls, where combustible materials are used or hazardous processes are employed they are segregated from the remainder of the plant by a fire wall.

The construction is considerably better than during the world war. It has, of course, a direct and immediate bearing on possible losses at present. It also is of interest to insurance men because of the bearing on post defense situations. Supposing, as everyone does, that the post defense period is one of depression and hard times, large defense plants are of such excellent construction it will be hard for them to burn, accidentally or otherwise. Another factor is that government owns these at the outset, and while the companies operating them may purchase, it is considered likely that the government will, after the defense program is over, still own a great number of them.

Course on Accounting

The Hartford College of Insurance has appointed to its faculty William N. MacKenzie of Hartford Fire Insurance Company. He will teach insurance accounting. The course will cover annual statements, valuation of asset and liability items, taxation, regulatory control exercised by the states.

Funds Held in Trust by Insurance Agent

The Kansas supreme court affirms the decision of the lower court in Meixner vs. Huesser et al involving funds collected as premiums. Paul F. Huesser & Co. were Phoenix Assurance agents. Meixner recovered personal judgment against Huesser for \$2,558. He had an alias execution issue on the judgment which was returned unsatisfied. Later he caused a garnishment summons to be issued and directed to Guaranty State Bank, where Huesser had an account as general agent of the Phoenix and designated as a trust account. Huesser claimed this account was in his name as agent for and in trust for the defendant insurer. The company filed an interpleader, alleging ownership of the fund.

Account Held Trust Fund

Under the Kansas statutes an agent who receives premiums is deemed to hold them in trust for the insurer. The court found that the amount in bank was made up of premiums collected by the agent and was in fact a trust fund not available to plaintiff. In the agency contract was this clause:

"All premiums received by the agent shall be held by him as trustee for the company until delivered to it. The privilege being granted of taking commissions provided in section 7 from premiums shall not be considered as changing the relationship of the respective parties hereto."

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Farm Association Gives Scholarships

(CONTINUED FROM PAGE 3)

tion with the International Livestock Exposition in Chicago. The winners will be guests of the Farm Association at that time.

Mr. Hopkins was recently cited during a trip to Washington for his work in rural youth activities. He was cited by the National 4-H Club Camp which is sponsored by the U. S. department of agriculture and the extension service. Membership of the 4-H clubs now consists of more than 1,500,000 boys and girls. Membership of the Future Farmers of America is now 242,000 and the Rural Scouts is a healthy organization.

It is understood that the scholarship to be offered will apply towards the expenses of the winners during the freshman year at college. Most of the 4-H Club members are of the high school age.

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The Lion's Share

The fact that this is the month of Leo, the Lion, has little to do with local agency production, except that we know that agents with the fearless and aggressive characteristics of the King of Beasts do get the Lion's Share of business to be had. . . . Vital production assistance of the Springfield Group will help you get a proportionately larger share of new business.



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WALTER B. CRUTTENDEN, President

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OF FIRE INSURANCE COMPANIES

OBSERVATIONS



of the Old Man

"Let our object be our country, our whole country, and nothing but our country."

—DANIEL WEBSTER.

Due to the emergency facing our country today, straight thinking Americans are becoming increasingly conscious of the need of proper defense.

Fire insurance agents should play an important part. Advocating adequate fire insurance protection for vital industries, their efforts are helping to prevent loss of valuable time—as well as money spent for replacements which are steadily rising in cost and becoming more and more difficult to obtain.

The New Hampshire and the Granite State Fire Insurance Companies are backing this program by cooperating with agents to the full extent of their vast facilities—enabling them to offer the most modern and efficient service.

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Manchester, N. H.
ORGANIZED 1869

GRANITE STATE
FIRE INSURANCE CO.
Portsmouth, N. H.
ORGANIZED 1885



Washington Agents Hold Annual Parley

(CONTINUED FROM PAGE 3)

on inland marine lines. He traced the great development in the business, pointing out that in 1920 inland marine premiums amounted to about \$10,000,000 whereas last year the net premiums written were \$53,958,332. The business went through a period of growing pains and then became stabilized with the formation of the I. M. U. A. and the joint committee on interpretation and complaint.

Inland marine insurance, he declared, has improved and broadened the insurance protection which citizens may secure from admitted insurers; it has taken over the writing of much insurance formerly exported to London Lloyds; it has met the competition of non-admitted insurers by granting covers as broad and convenient to the commerce of this country and private needs as the non-admitted market alone formerly provided and on terms as favorable.

In the Pacific Northwest territory, the largest premium producers, he said, are registered mail, motor truck cargo, installment sales, contractors equipment, jewelry floaters, personal property floaters, furrier customers and jewelers block.

One of the most interesting features of the program was the panel discussion based on an outline prepared by J. T. Breckon, assistant director of the B.D.O., entitled, "Developing New Premiums."

The personnel of the panel consisted of Mr. Breckon as panel leader, plus Charles P. Carroll, J. E. McGovern-Carroll Co., Spokane; George B. Guyles, J. C. Guyles & Co., Tacoma; Hallock Bartlett, state agent St. Paul, Seattle; Howard B. Speer, special agent Atlas, Spokane.

Mr. Breckon made introductory remarks, saying: "Plan your work and then work from your plans" is an old adage that is particularly appropriate for an organized plan of production to produce more premiums. Naturally, we are unable to plan our work unless we have some specific objective, and the objective we have in mind right now is to increase our income by producing more premiums. The first step necessary in our plans to produce more premiums is a live prospect file. Each year a certain number of renewal policies are lost, probably the client has moved away or the insurance is placed elsewhere through no fault of our own, so we are faced with a declining income year after year unless those lost lines of insurance are replaced with new ones.

"In the production of more premiums we must constantly develop new prospects—the names of people who need and buy insurance. Prospecting for these names will be either extensive

prospecting—prospecting for names of people to whom we are not known—or intensive prospecting—the names of people to whom we are known. With the prospect file completed we can then formulate plans so we know where we are going, when we are going and what we are going to do when we get there to produce more premiums."

Then the viewpoint of the members of the panel was developed on how to proceed in extensive prospecting. For instance, how much do the producers depend upon friends and clients for names of prospects? Do they ask them to recommend names for the prospect file? Do they ask to be recommended or introduced to a particular prospect? How much do they use public records to obtain names of prospects? Do they obtain names of prospects from newspaper items? Do they check newcomers into the city?

Installment Buying Curb May Improve Auto Losses

(CONTINUED FROM PAGE 5)

troit and elsewhere and that the slack won't be anywhere near taken up.

The effect of the reduction in new car sales on premiums is indicated by the fact that for fire and theft cars in the second year age group take 80 percent of the new car premium; third year, 60 percent, and fourth year, 40. For collision the premium drops to 90, 70 and 50.

One point made in connection with the voluntary 20 percent cut in new car production is that it is being applied on the basis of the 1940-41 turnout, one of automobile business's biggest years. For this reason some underwriters believe the new season production will be big enough to take care of the demand.

Financed automobile premiums are expected to be off the most, and some of the smaller finance companies may go out of business, since they will be hit on radio, refrigeration and other items as well as automobiles. Finance companies will, however, have less trouble with repossessions because of the good market for used ones.

The loss situation is the real worry to automobile men due to the big increase in the number of cars on highways and streets, and traffic congestion caused by defense factories, camps, etc.

The moral hazard has been increased by good times. One insurance company accepted the account of a finance company located near the construction of a large army camp. There were only 250 cars or so in the group, a good share of them having been sold for \$75 to \$100 to carpenters and other workers on the camp. No collision cover was involved, only fire and theft. The workers learned after they drove them that the cars weren't much good, that even at that price they probably had paid too much. After three or four total losses by fire, the insurance company had to cancel.

The moral hazard is reported to be good in the middle west, however.

Another underwriter recalls the case

of the man arrested because he didn't have license plates. He told the judge he didn't know one was needed, that he had never owned a car before. He wanted to know what the license cost. The judge told him, \$15.

"Why," he said, "I only paid \$7.50 for the car."

One underwriter points out that the man with a 4 or 5 year old car who has owned it continuously is a much better risk than the man who buys one that old.

For one company the average collision claim on finance business rose from \$73 to \$89 in recent months, a rise of 20 percent; on regular business the increase was from \$98 to \$114.

Underwriters are optimistic about the loss ratio next year for several reasons.

There is some possibility that gasoline sales will be reduced sufficiently to lessen exposure a good deal.

In connection with gasoline conservation there may be state or federal regulation of speed, since at speeds over 50

miles an hour cars burn substantially more fuel. A federal national speed limit of 50 miles an hour would greatly improve losses, even though insurance men themselves would object to the regulation.

Psychological Effect

The psychological effect of scarcity of cars, curtailment of parts and gasoline, etc., will help lower losses.

Army regulations are expected to be made more stringent for cars of draftees in and around army camps. This has been a source of losses already.

All the publicity the situation has received is helping.

The move of General Motors and others to "factory recondition" cars a year or more old will help, although many reliable dealers have for years put used cars in first class shape before reselling.

Finance business, according to underwriters, isn't the type to renew very well.

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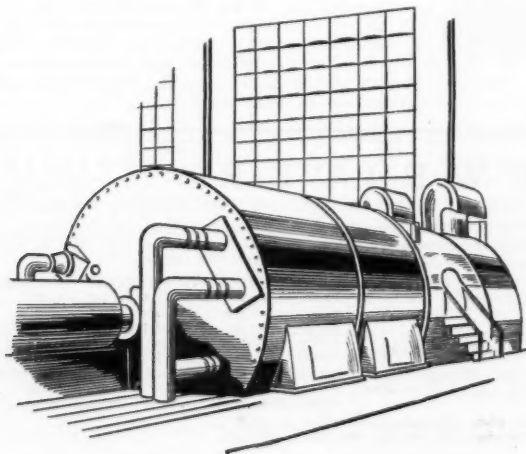
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EDITORIAL COMMENT

Insure the Individual, Not the Car

THERE has been considerable agitation for an entire revision of public liability and property damage insurance so that the car will no longer be covered but that the driver will be the person insured. Assistant Secretary Cass of the Indemnity of North America in a recent talk before the Alabama insurance school predicted that this may come about.

After all the price or make of a car does not figure as a great factor in accidents, although of course a large car has greater momentum. These days the

lowest priced cars have great speed. Rating is now entirely based on the car. It matters not how many people in the family are driving. It would seem to us that the driver should be the one to carry the insurance. This then would level down a car which had only one or two drivers and another of the same kind that may have had six or seven. We agree with Mr. Cass that with the driver's license laws each individual driving should furnish evidence of financial responsibility.

Keeping Always an Open Mind

WE may be prone to criticize insurance and its organizations once in a while for being too reactionary, too set in concrete, too inflexible, but we must bear in mind that financial institutions as a whole are in the conservative class. However, there are times when forward steps need to be taken and policies and practices must be squared more truly to public demand and conditions of the day.

It is often the younger minds that are more quickly responsive to what should be done. The older people, unless they listen very attentively to the voice

of youth, are inclined to do business in the same old way, thinking that because that road led to success in the past, it still continues in that direction. However, the road has been paved and new vehicles have appeared. We must be alert and have our ears and eyes open to changes that are desirable and conducive to good will. Insurance companies rightfully must look with a questioning eye on any scheme that is destructive and impractical. We must not close our eyes, however, to the new signs in the skies, of which there are a great many today.

Man Without Punch

AN executive the other day was asked regarding one of his large city managers with whom the inquirer was well acquainted. He hesitated, threw his arm back, thrust his fist forward vigorously and said: "He lacks that." The inquirer said: "I suppose you mean punch!" The reply was in the affirmative.

The executive in commenting on the manager said that he was acquainted with no one who was more amiable, gracious, friendly and hospitable. He asserted that he would rather go on a fishing or hunting trip with him than

anyone with whom he came in contact. He had all the qualifications for success except what we call "punch."

That is a characteristic that can be, to an extent, acquired and cultivated. Men who have been timid and lack the go-getting qualities have been able by self discipline to reach a point where they do have proper enthusiasm, vigor and power. Certainly to accomplish one's end, he must have driving power and determination. People who are afflicted with too much mildness need to fire up and get more steam ahead.

Time to Effect Reforms—Now

It will be most unfortunate if any reforms, changes or departures are to be made in which companies and agents are both interested and where there are differences, which are not accomplished and fully tried before the next great depression is upon us. There is nothing to be gained in artificial optimism. We are destined for an upheaval following World War No. 2 and the great armament and defense projects in which our government is engaged. No nation can

continue to be prosperous with business artificially stimulated and traveling in an unnatural manner. Business is bound to have a sharp and very drastic reaction.

When the days of depression come, hard times force changes. Then they will have to be done involuntarily. Companies and agents will not have so much to say. The state insurance departments, legislatures, federal government will do the reforming. When outsiders attempt to tell insurance what to do and

how to do it the commands are made without proper knowledge of the business in its many ramifications. Changes of high order should always be made by the men in it. There are issues now be-

fore companies and agents in joint conference. These differences should be adjusted when both sides can come together and have something to say as to how they shall be settled.

PERSONAL SIDE OF THE BUSINESS

Richard D. Byrne, Detroit, marine special agent Fireman's Fund, will be married to Miss Frances O'Meara at St. Ignatius Church, Chicago, Aug. 23. They will make their home in one of the Detroit suburbs. A former Chicagoan, Mr. Byrne is a son of P. F. Byrne, partner in the Byrne, Byrne & Hahn Chicago agency and worked out of the Fireman's Fund western department in Chicago before going into the Michigan field in June of this year.

Charles Smrha, former director of the Nebraska insurance department, has established the Insurance Production Service at 1024 M street, Lincoln, Neb. During his term in office Mr. Smrha stated that he was impressed forcibly with the need of masterful dealing with the subject of insurance which would arrest the attention of the public. Unnecessary loss and waste, he declared, attends the production and reproduction of insurance service. Insurance proverbs have been designed to meet the need for arousing the public. These proverbs are aimed at the public. The peculiar merit claimed for them is that they will be read and will induce thinking. They are not offered as a final solution but as a valuable supplement to any other medium now in use, according to Mr. Smrha.

One of Mr. Smrha's own proverbs that he coined is: "Guide the thinking of the people and you will have determined their destiny." The price of the first thousand is \$5.75. They are to be used in outgoing mail, in letters designed for production, premium notices, lapse notices, etc.

Mr. and Mrs. M. T. McGovern of Havana have announced the engagement of their daughter, Frances Grace McGovern, to **Lawrence E. Gilbert**, son of **A. E. Gilbert**, vice-president of Hanover Fire. Following attendance at the American Dominican Convent, Miss McGovern was graduated from the Ruston Academy of Havana last June. Mr. Gilbert is connected with the American International Underwriters in Havana which he joined soon after graduation from Dartmouth in 1939.

B. B. Burroughs of Norfolk, immediate past president of the Virginia Association of Insurance Agents, and Mrs. Mary Champe McLarty, secretary to Samuel Bigelow, manager of the Virginia association, were married in Atlanta. Miss Virginia Sydnor, formerly secretary to the manager of the Virginia Press Association, has been named to succeed Mrs. Burroughs.

The engagement of Miss Jeanne Geoghegan, daughter of **T. M. Geoghegan**, vice-president Perkins & Geoghegan, Cincinnati, and past president of the Cincinnati Fire Underwriters Association, to William H. Belden, Canton, O., the son of Mr. and Mrs. P. B. Belden, has been announced. The wedding will take place Sept. 29. Miss Geoghegan attended the Academy of the Sacred

Heart, Clifton, and Manhattanville College, New York. Mr. Belden attended Phillips Exeter Academy and Notre Dame University.

Deputy Commissioner **C. A. Gough** of New Jersey has now been discharged from St. Francis Hospital, Trenton, where he has been confined for the past seven weeks, and plans to spend several more months in recuperating his health and strength.

Charles W. Good, veteran Illinois state agent of London & Lancashire, entered the Mayo Clinic at Rochester, Minn., Monday of this week to undergo a serious operation. Mr. Good has been ill for about six weeks and has been in the hospital much of the time. He has a host of friends in the field.

R. E. Cady, prominent local agent of Bakersfield, Cal., has been featured in his home city because of his hobby of collecting eversharp pens and pencils. In his collection are more than 900 items, some of which date back more than 100 years. In size they range from two inches to 2½ feet. Mr. Cady entered his collection in the city recreation commission's hobby show.

R. D. MacDaniel, director of field service of the Grain Dealers National Mutual, who is chairman of the fire prevention and protection committee of the Indianapolis chamber of commerce, has received an award from his company for outstanding service in the field of fire prevention. The directors presented him an engraved wrist watch and a bound copy of the resolution praising his work.

L. G. Bergeron, Indiana state agent of St. Paul F. & M., has joined the ranks of grandfathers, his daughter, Mrs. Carl Scheidker, having presented the family with a baby girl. He thus becomes another contender for the title of "youngest grandfather" among field men.

An interesting insurance wedding took place in Cleveland when Miss **Gertrude G. O'Brien** was married to **Hugh Howard Jones**. The bride operates the Gertrude G. O'Brien insurance agency and Mr. Jones is an engineer for Indemnity of North America in Cleveland. Mrs. Jones will continue to operate the agency.

L. J. Braddock, former assistant western manager of the North America, was married the other day to Mrs. George L. Swift Putnam of Hinsdale, Ill. Mr. Braddock, since his retirement, has lived in Evanston, Ill., and spent the winters in the south. Mrs. Putnam also had a winter place in Florida.

Two prominent Minnesota insurance men figured in a big way in golf tournaments. **Virgil Roby**, manager of Travelers at Minneapolis, won the Arrowhead tournament at Duluth and Commissioner **Newell Johnson** was barely nosed out for first place in the Birchwood tournament at Bemidji.



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 173 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

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Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

Former Western Manager America Fore Is Dead



J. RALPH WILBUR

J. Ralph Wilbur, retired vice-president of the America Fore in charge of its western department, died Thursday of last week at a sanitarium in Evanston, Ill. Mr. Wilbur retired from office Jan. 1, 1931. He had been ill for a year or more and his health had gradually failed. He suffered a stroke a few years ago and recovered from that but later on became stricken.

He was born in Leeds, N. Y., Sept. 15, 1874. He graduated from Cornell in 1897 with the degree of M. E. in electrical engineering. Because of his college training he joined the western department of the Continental, Dec. 18, 1897, in its engineering department. Later he was appointed agency superintendent, then secretary in charge of the western department. In 1925 he was elected vice-president when the offices of all companies in the America Fore fleet were combined and continued in that post until the end of 1930 when he was succeeded by E. A. Henne, present western executive.

Excellent on Committee Work

Following his retirement the Western Underwriters Association used him on a part time basis in investigating general agencies throughout its jurisdiction to ascertain whether they were bona fide. Mr. Wilbur, during his active service, was chairman of the governing committee of the Western Underwriters Association and served on other important committees. As chairman of a committee Mr. Wilbur was especially efficient in that he undertook to make a comprehensive survey of his assignment. He got every bit of information possible. He cleared up the job as he went along and his reports received the highest commendation. He was meticulous in his presentation and very accurate in his assertions. He attempted at all times to make a factual report.

Mr. Wilbur was greatly interested in music and photography. After his retirement he devoted much time to photography, taking pictures of historic and notable spots in the country and then delivering lectures in connection with them. His activities in this direction received many plaudits. In addition Mr. Wilbur was interested in ornithology, going often into the woods and vales, studying birds.

During the World War No. 1 Mr. Wilbur was captain of the home guard in Evanston, Ill., and did a remarkable piece of work. However, President Henry Evans of the Continental forced his retirement, stating that he had to decide whether he was going to give his attention to the Continental or to military work. Mr. Wilbur's activities in this direction it may be said were all

after business hours and no time was taken from the Continental.

Mr. Wilbur is survived by Mrs. Wilbur and three daughters, two of them married.

DEATHS

David C. Alexander, formerly of the Alexander-Bohon-Pensinger Agency, Decatur, Ill., died at his home in Fort Lauderdale, Fla. For the past four years he has been with the Lauderdale Abstract Guaranty Title Co. in its insurance department. He was also at one time with the Hart-Wallace Agency in Kentucky.

C. R. Williams, manager of the Illinois loss department of America Fore, is bereaved by the death of his wife, Mrs. Delma Williams.

Frederick W. Biehl, 68, head of the Bachelder & Biehl agency, and former mayor, Galion, O., died there.

R. B. Rockwell of the Rockwell Investment Co., Denver, died there following a long illness. Mr. Rockwell had been in the insurance business since 1915. He was nationally known as an authority on the bird life of the Rocky Mountains and with R. J. Niedrach had recently completed a book on "Birds of Denver and the Mountain Parks."

John Campbell Keegan, 55, vice-president of Providence Washington and Anchor, died at his home in Providence, R. I., Sunday after several months' illness.

Mr. Keegan was born in Brooklyn May 24, 1886, son of the late John C. and Anna Dohrmann Keegan. He was educated in Brooklyn and became engaged in the insurance brokerage business in September, 1901, being associated with the well-known brokerage firm of Johnson & Higgins for many years. He became associated with Providence Washington in June, 1912, being elected marine assistant secretary in January, 1917, marine secretary in June, 1918, marine vice-president in January, 1931, and vice-president in January, 1939.

Mr. Keegan was elected marine vice-president of Anchor in June, 1930, and vice-president in January, 1939.

At the time of his death, he was a member of the board of managers of the American Marine Insurance Syndicate and director of the United States Salvage Association. He was instrumental in organizing the Inland Marine Underwriters Association, of which he had been president, and was at the time of his death a member of the executive committee.

Mr. Keegan leaves four sons, all of

whom are in the marine insurance business. John is with Firemen's, Thomas with Aetna Fire, William with Appleton & Cox, and James with Newhouse & Sayre.

Frank J. Latz, 37, with Thomas McGee & Sons, Kansas City, for 20 years, died there. He was a director of the Old American, Reserve Mutual Fire and Reserve Mutual Casualty of Kansas City.

Louis Welwerz, underwriter of the Cook county, Ill., office of America Fore in Chicago, died at the age of 45. The cause was supposed to be effects of the extreme heat in Chicago. He had been with America Fore 28 years and was a member of the "Old Guard."

Cecil S. Wainwright, vice-president and director of British America and Western Assurance and their subsidiaries until his retirement in 1934, died in Toronto. He entered insurance as a clerk in a local agency at Ottawa. In 1895 he joined British America and Western as a junior clerk in the home office in Toronto, advancing through various positions. In 1923 he became assistant general manager of the two companies and later vice-president and a director.

Carl N. Frifeldt, former branch manager of Northwestern National in Kansas City and associated with that company about 20 years, died in Chicago. Mr. Frifeldt was state agent for the company in Missouri for some time, and had been in the field for other companies before going with Northwestern. He retired about 10 years ago and moved to Chicago.

John B. Knox, state agent for Liverpool & London & Globe in Maine, died suddenly in Portland.

Mr. Knox was the son of the late John B. Knox, who at the time of his death was secretary of Phoenix of Hartford and president of Equitable Fire & Marine. Mr. Knox was a member of the Beardsley & Beardsley agency in Hartford and secretary of the Hartford Board of Fire Underwriters some 25 years ago. He traveled for a time in Connecticut for L. & L. & G. and about 15 years ago was transferred to Vermont, Massachusetts and Maine.

A son, John M. Knox, is located in Portland, Me., as state agent of Royal Exchange. A brother is Arthur S. Knox of Hartford, special agent for Globe & Rutgers.

D. D. Goshorn, 85, in the insurance business nearly 40 years, died suddenly at his home in Cambridge Springs, Pa.

T. T. Covington, 80, former mayor of Richmond, Ky., and for many years active as a local agent, died there.



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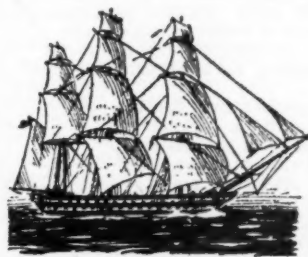
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The NATIONAL UNDERWRITER

August 14, 1941

CASUALTY AND SURETY SECTION

Page Nineteen

Federal Premium Tax Is Again in the Offing

First Target Life Insurance and Exclusively A. & H. Companies

The treasury experts are now reported to have drafted a provision for a 2 percent premium tax on life insurance companies and those insurers writing exclusively accident and health insurance. The "Unique Manual Digest" reports that the total premium income of 256 legal reserve life insurance companies during 1940 amounted to \$4,114,280,059, not including A. & H. writings. If the 2 percent tax were applied on that base it would produce revenue of about \$82,000,000.

The treasury department, it is understood, will insist that the law prohibit the tax from being passed along to the policyholder in the form of a surcharge. It would be applicable to both new and renewal premiums. Of course, insofar as mutual companies are concerned the insurer could recoup by reducing the dividend to policyholders. The stock company tax, at least insofar as renewal premiums are concerned, would presumably be at the expense of the stockholders.

The treasury department intends to confine its recommendation at this time to life insurance and companies writing accident and health, because of the prospect that if a fire-casualty tax were proposed there would be lengthy debate as to the application of the tax as between stock and mutual companies. Probably in September or October a separate bill will be introduced for a tax upon fire and casualty companies.

May Seek to Tax Fraternal

Whether the treasury proposal will include a tax upon fraternal societies remains to be seen. It has been hinted that the fraternal would be included.

When the revenue bill was in its early stages, the treasury department intended to include a recommendation for a premium tax upon insurance companies. The treasury experts conferred with a number of insurance representatives and the life insurance interests more or less agreed upon a system of taxation. It is now felt by some that the life insurance people may have made a mistake in so readily volunteering to accept a tax. Later the whole idea of an insurance tax was abandoned but it has now been revived. Some believe that the idea of going after the life insurance business occurred to the treasury department because the life insurance companies had at an earlier stage more or less agreed to a tax. The companies may have been in a rather mellow mood and inclined to gain good will at Washington because of the threats contained in the TNEC situation.

Revival of the insurance tax seems to

Banner Year for Safety Legislation

Survey Is Made of Improved Statutes Governing Traffic Control

Despite official preoccupation with problems of national defense, 1941 was a banner year for highway safety legislation throughout the country, the National Safety Council reports.

With only a handful of the 43 state legislatures which met this year still in session, a survey by the council showed these developments:

1. Seven states strengthened their drivers' license laws: Florida, Nevada (enactment of standard measure), New York, Ohio, Texas, Utah and Wisconsin.

2. Three states passed Act V of the Uniform Vehicle Code (regulation of traffic on the highways): Florida, Ohio and Utah. The Ohio measure did not contain the accident reporting requirements contained in the standard law.

Accident Reporting Changes

3. Four states made major changes in accident reporting: Delaware, Maryland, Minnesota and New York.

4. Six states increased their highway patrols. Increases in number of men: California, 40; Florida, 70; Ohio, 100; Oklahoma, 30; Texas, 200, and Wyoming, 5.

5. Safety commissions were created in two states: Maryland and Michigan. Funds were made available for the New York traffic safety commission.

6. Three states recognized drunken driving tests: New York, Oregon (Portland only) and Texas.

7. Two states reduced first offense drunken driving from a felony to a misdemeanor in an effort to obtain more convictions: Oklahoma and Texas.

New Speed Legislation

8. In addition to speed provisions of the traffic regulatory measures (Act V of the uniform vehicle code), four states enacted new speed legislation: Delaware, New Mexico, Oregon and South Dakota.

9. One state created a new motor vehicle department: North Carolina. Indiana and Colorado moved motor vehicle administration to other departments.

10. Three states moved the administration of highway patrol: Illinois, to the department of public safety; Nebraska, to the direction of the superintendent of safety, and Nevada, to the public service commission.

Approximately two-thirds of the states now have standard drivers' license laws and only three—Louisiana, South Dakota and Wyoming—have none at all.

Thirty-eight states now have adopted Act V of the uniform vehicle code, and the laws of approximately 35 states now conform basically to national standards for accident reporting legislation.

have dated from the day the House rejected the proposal for joint income tax returns, which is estimated to have rep-

(CONTINUED ON PAGE 30)

Valuing Pending Claims a Puzzle

Loss Reserves for P. L. Claims Trouble Insurers Under Cost-Plus Plan

NEW YORK—Necessity for some method of mediation or arbitration to determine what constitutes fair loss reserves for pending claims under the War Department's cost-plus insurance plan for defense construction projects is foreseen by some students of the plan.

The War Department plan, also known as the Hill plan, provides that there will be a final determination of losses 90 days or six months from the end of the period covered by the policy. This length of time is probably adequate in compensation cases where the maximum liability is set by state laws but where automobile or public liability claims are involved it is frequently necessary to wait much longer than six months to obtain an accurate idea of the final cost of the claim.

Room for Argument

It may be difficult for the company to convince the insured, his insurance adviser or the government's representative that while the insurer need set up a loss reserve of only \$8,000 in the case of a workman who has lost a leg in an industrial accident, it is entirely reasonable to set up a much higher loss reserve under a public liability claim. The regular retrospective rating plan provides for a period of 30 months, as by that time there is little difficulty in appraising the value of any claims still outstanding.

Since the insured pays the cost, up to 90 percent of the manual rate, there is the possibility that a company could protect its position on pending claims by settling them out of court for a higher figure than it would consider justified. However, this course would not only subject companies to criticism but would tend to create a bad precedent in setting a high level of loss awards.

Unjust Claims Resisted

Actually the companies' tendency has been in the direction of fighting claims which they considered unjust even though they could wash their hands of these cases by paying the policy limit and letting the insured worry about the excess. For example, a company will defend a case in which claim is being made for \$30,000 even though the policy limit is only \$10,000 and the award promises to run considerably in excess of that amount. A company customarily defends such a case even though it could save legal expenses by paying the \$10,000.

One suggested solution under the War Department plan might be for the insurance company, the insured's adviser and the War Department's representative to arrive at a fair basis for valuing claims still outstanding six months after the policy period. Fortunately, for the reason mentioned, workmen's compensation should cause little trouble and this type of claim will be far more numerous than those involving public liability or automobile liability.

Remove "Carrying for Charge" Auto Policy Exclusion

Liberalization Announced to Aid Government's Gas Conservation Effort

As had been expected and predicted the National Bureau of Casualty & Surety Underwriters and American Mutual Alliance have decided to revise their policy forms so as to remove the exclusion in the automobile P.L. and P.L. contracts under which the assured forfeited his protection while carrying persons for a charge. Heretofore, the exclusion could be removed by payment of an extra premium of 10 percent. The liberalization does not go so far as to permit the car to be used as a public or livery conveyance, however. In the following manual exclusion the phrase "or for carrying of persons for a charge" is deleted:

"This policy does not apply . . . while the automobile is used as a public or livery conveyance, or for carrying of persons for a charge, unless such use is specifically declared and described in this policy and premium charged therefor. . . ."

Patriotic Considerations

The change was agreed to for patriotic considerations in order to facilitate the program of the government to induce persons to double up in their automobile travels, particularly workers going to and from their jobs. This is part of the government's effort to conserve gasoline, particularly on the east coast.

Howard M. Starling, manager of the Washington office of the National Bureau of Casualty & Surety Underwriters, personally delivered a letter to Secretary of the Interior Ickes, advising him of the step that had been taken. The letter was signed by William Leslie, general manager of the National Bureau; A. V. Gruhn, general manager American Mutual Alliance, and F. A. Fleming, general manager Mutual Casualty Insurance Rating Bureau.

Thus there has been taken another forward step in the liberalization and standardization of the automobile contract. Until the matter of the gasoline shortage came up and precipitated this liberalization, there had been no immediate intention of the joint committee on the standard auto liability contract to remove the exclusion. As a matter of fact the new edition of the standard policy was all ready for release when Ickes entered his request. The exclusion of carrying persons for a charge was perpetuated in the new edition of the standard policy.

The exclusion still remains in the automobile collision contract of carrying persons for a charge.

(CONTINUED ON PAGE 30)

Advocates Strong "Ad" Program for Stock Group in Lieu of Participation

The lead article in the August edition of "Printers Ink Monthly" is entitled "The Munich of Casualty Insurance" of which the author is John E. Beahn. He traces the rise of mutual casualty premiums from 1929 from \$120,000,000 to \$250,000,000 in 1940 and although he does not claim that national advertising efforts of the mutual companies were entirely responsible, he does contend that if stock companies undertook a comprehensive advertising program, they would make more headway than they would by offering participating policies.

The sudden change during the past decade in relative standings of the stock and mutual companies he attributes to price and depression, to advertising and sales methods. He said that stock companies now offer advertising agencies and media an excellent opportunity in an undeveloped field. He states that they are seriously concerned with the competitive situation and are actively seeking the means for revitalizing the business.

The author contends that during the depression, as money became more precious, failure to advertise, failure to convince buyers that stock insurance was preferable and that payment of a higher price was justified, had left the door unlocked to the mutuals.

According to Beahn, general media advertising might have saved the day for the stock companies, but only a handful of companies supported such programs.

Source of Strength

On the other hand advertising was a source of strength to the mutuals, he stated. The percentage of premium income spent by the mutuals was but little more than that of stock companies, but they had only to advertise the lower price while the stock companies had to justify a higher price. Obviously, price advantage can be advertised more easily and on a small appropriation and the mutuals found their problems simplified by failure of stock companies to counter this appeal. Mutual companies, he stated, used advertising to a greater extent than the stock companies, spending a little more than 1/2 of 1 percent of premium income compared to 1/3 of 1 percent for all stock companies. He contended that on top of the other circumstances working against them, the stock companies suffered from a weakness in sales methods. There is little direct communication between the stock company representative and the buyer. Superintendents of agencies of casualty companies, he stated, are seldom ranking executives. Moreover, agents discourage all communication between buyers and companies. The insurance companies became exceedingly circumspect in relations with the public even to the extent of refusing advertising as a means of communication with the public.

This lack of direct communication, the author states, served to perpetuate an attitude that insurance companies "accept" risks rather than sell insurance.

Selling Direct to Public

Mutual companies, he said, broke with traditional methods because insurance agents would not place business with them. The mutual companies therefore organized a sales staff to sell direct to the public. Mutual company sales executives also, he contended, enjoy relatively greater influence than do similar executives in stock companies.

Mr. Beahn said that during the depression years fear of the assessment feature of mutual companies "retreated before the all important necessity to save, and the trickle of business transferring from capital stock carriers to mutuals became a steady flow."

The charges that the mutuals were comparable to consumer cooperatives had little effect in competition because price remained the dominant factor.

The first tangible effort to combat the mutuals consisted of the safe driver re-

ward plan in the automobile field, he said. Results, he charged, were a complete disappointment to the companies. This, he said, was the first indication that the companies were adopting a policy of appeasement.

The second attempt to combat the mutuals consisted of reduction of automobile rates in April of 1939, he said.

"Participation is the Munich of the casualty insurance battle," he said. "Capital stock companies must now choose between complete surrender or self preservation." Price, he said, was the mainspring of the safe driver reward, of the rate reduction and is the principal consideration of those now advocating sharing of profits between policyholders and stockholders. "The fact that this proved ineffective before seems not to deter the efforts to meet price with price," he asserted.

Participation, he predicted, would cost the stock companies not less than 10 percent of premium income. The one step, he said, that is ignored by most stock companies and the one that may avert the sacrificing of profits is the holding of present business and development of new business through modern sales and advertising programs. The adoption of such a program, he contended, could not originate within the business because most company executives are technicians within the industry, underwriters, claim attorneys, accountants, statistical experts or financial men. The problem is one of sales. Any practical plan would have to originate outside the industry. Enterprising advertising men and sales experts could develop such a plan, he said. There would have to be a combination of liaison man, advertising agency and wholehearted support of company executives.

Cites Specific Companies

Travelers, Aetna Life, Hartford Accident and Maryland Casualty have been consistent advertisers in general media, but the other stock companies have not gone along, Beahn stated. One company, he stated, with annual premium receipts of nearly \$25,000,000 spent less than \$25,000 for all advertising. Another with the same sales income spent a little more than \$40,000. No other industry, he declared, could hope for such tremendous sales for such small advertising expenditures.

Beahn goes on to say that part of the program should consist of a survey of the possible insurance market. The present sales volume of casualty insurance, some \$1,300,000,000, is estimated to be not more than half the total market. Mr. Beahn presents a table showing the 1940 premium income by lines of casualty covers and what he calls "estimated potential." For instance, he said, in personal accident insurance, the premium income was \$54,500,000 and the estimated potential \$300,000,000. In automobile the figures are \$428,100,000 and \$650,000,000; burglary, \$28,500,000 and \$125,000,000; fidelity and surety, \$91,500,000 and \$400,000,000; general liability, \$102,000,000 and \$250,000,000; machinery, \$5,900,000 and \$50,000,000; plate glass, \$12,000,000 and \$25,000,000, and steam boiler, \$9,400,000 and \$50,000,000.

Several Research Problems

He suggests several research problems that might be studied. One would be to determine the factors responsible for the tremendous growth of automobile insurance. If these could be isolated, the promotion of other forms of insurance such as personal accident might be aided. The extent of self-insurance is another possible research subject.

Mr. Beahn contended that there is a lack of imagination in finding names for insurance companies. He finds that there are 17 casualty companies which include in their titles the word "American." There are 10 casualty companies that have the title "National." This

tends to cause confusion in the public's mind, he said.

Mr. Beahn presents this tabulation of premium income and advertising expenditures of leading casualty companies in 1940, the advertising expenditures being estimated:

	1940 Premiums	Advtgng. Expenditures
Travelers	\$58,748,000	\$360,000
Liberty Mutual	46,160,000	290,000
Hartford Accident	39,036,000	125,000
Aetna Casualty	37,268,000	165,000
U. S. F. & G. Co.	34,367,000	120,000
Lumb. Mutual Cas.	25,247,000	230,000
Continental Cas.	25,372,000	100,000
Employers Liab.	24,739,000	25,000
Fidelity & Casualty ..	24,697,000	45,000
Maryland Casualty ..	24,555,000	150,000
American Mut. Liab. ..	24,080,000	160,000
State Farm Mut. Auto. ..	18,106,000	100,000
General Accident	18,000,000	25,000
Globe Indemnity	16,293,000	33,000
Empl. Mutual Liab.	14,916,000	70,000
Standard Accel.	14,752,000	100,000
Zurich	14,275,000	35,000
Mass. Bonding	13,850,000	30,000
Indem. of N. A.	13,847,000	30,000
Amer. Automobile	13,638,000	30,000
Royal Indemnity	13,589,000	20,000
New Amst. Cas.	13,301,000	10,000
Hardw. Mut. Cas.	11,545,000	70,000
Amer. Surety	10,541,000	55,000
Fidelity & Deposit.	10,304,000	35,000
Great Am. Indem.	9,659,000	10,000
Natl. Surety	9,192,000	50,000
Comm. Casualty	9,112,000	30,000
Century Indem.	8,025,000	2,000

N.A.I.A. Rally Is to Be Filmed

The convention proceedings of the National Association of Insurance Agents at Kansas City, Oct. 13-17 will be reproduced from start to finish in sound film. The sound motion picture will be produced by the Aetna Casualty safety education department, which has its own complete production unit and technical staff. The movies in completed form will be shown at the closing session Thursday.

Every aspect of the convention will be shot so that the completed film will catch the full flavor of a big national convention. Some of the principal scenes will be devoted to the various speakers, with recording of excerpts from their talks. There will be scenes showing Kansas City's leading points of interest, and some informal shots of individuals and groups. Highlights of the banquet and entertainment feature will also be recorded.

The Aetna staff will film a prologue in its Hartford studios which will depict in dramatic form the origin of the National association and significant high spots in its history and growth.

Following the Kansas City showing, the convention film will be made available to state associations and local boards.

Auto Liability Case Based on Cancellation Notice

The New York court of appeals found for the defendant insurer in two actions based on interpretation of the cancellation clause of an automobile liability policy.

Felix Lesk and Edward Timms were injured in an automobile collision with a truck of the Old Iron & Steel Corp. at 5:15 p. m., Nov. 8, 1938. They sued the corporation and the truck driver and secured judgments. When these were not paid, plaintiffs sued the insurer, London & Lancashire Indemnity.

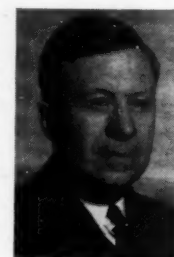
Holiday Involved

The question before the court was whether the policy had been cancelled before the time of the accident. On Nov. 2, 1938, London & Lancashire sent Old Iron & Steel Corp. by registered mail notice of cancellation. The notice stated that the company's liability "will absolutely cease at 12 o'clock noon, standard time, Nov. 8, 1938." The notice also contained a demand for earned premium to date.

Nov. 8, 1938, was election day and a holiday. Section 25 of the General Construction Law provides that where a contract requires payment of money

Heads U. S. Chamber Insurance Committee

John L. Train, who was designated as chairman of the insurance committee of the United States Chamber of Commerce, is president and general manager of Utica Mutual and is also general manager, secretary and treasurer of Allied Fire of Utica.



John L. Train

He was born at Batavia, N. Y. and was educated at Syracuse University. He was connected with the New York insurance department from 1905 to 1914, since which time he has served as general manager of Utica Mutual. He is a member of the Casualty Actuarial and the Statistical Society, and is a director of the First Bank & Trust Company of Utica.

or performance of a condition on a public holiday, the payment may be made or condition performed on the next business day.

The court's opinion points out that since the date of mailing was Nov. 2, Nov. 8 was "not less than five days" thereafter and that cancellation became effective unless the General Construction Law is applicable. Section 20 of this law provides for the exclusion of the calendar day from which reckoning is made; that is, the date of the mailing of the notice, and in addition, excludes a public holiday if it is the last day of the specified period. If Nov. 2, the mailing date, is excluded, the five days required would not have expired on Nov. 8, but on the day before, the court pointed out. There would have been five intervening days ended with Nov. 7. The calendar day includes the time from midnight to midnight.

The notice of cancellation did not require the payment of money nor the performance of any condition. Tender of a premium by assured would not have affected cancellation notice already given. The earned premium was demanded only to the date of cancellation. The insured could not have compelled the continuance of the policy upon payment of any sum. The period of not less than five days was prescribed in order that the insured might obtain other insurance before the effective date of the cancellation if he so desired. Use of the present tense in the notice, "hereby cancelled" was proper although the effective date was six days after the date of mailing.

The court ordered the judgment of the appellate division of the court reversed and judgment directed in favor of the defendant.

Minn. Traffic Safety Committee

ST. PAUL—Governor Stassen has named a committee on traffic safety and accident control, with C. J. Tierney, assistant chief of police of St. Paul, as chairman. Other members are Eldon Rowe, superintendent of the state highway patrol, and E. B. Harkness, special agent Automobile Protective & Information Bureau.

N. J. Assigned Risk Bill Fails

Assigned risk bill for automobile insurance failed to pass in the New Jersey legislature, as did another measure to permit casualty companies to issue medical, hospital and funeral expense policies, introduced by Assemblyman Edgar Williamson, Jr., who is assistant manager of real estate for the Firemen's of Newark.

Direct Rending Rate Finder & Cancellor for calculating earned and return insurance premiums \$2. Order from National Underwriter.

Stone Champions N. H. Type of Responsibility Law

Casualty Executive Extolls Voluntary Principles with Incentives and Obligation

E. C. Stone, United States manager of Employers Liability, who has prepared many excellently reasoned and effective papers on the question of compulsory automobile liability insurance, again contributed important suggestions this week when he addressed the annual meeting of the Washington Association of Insurance Agents at Tacoma. On Thursday, Mr. Stone will talk on the same subject at the meeting of the Oregon agents association in Portland.

Mr. Stone repeated his underlying items of criticism of the Massachusetts compulsory law and then went on to defend the New Hampshire type of financial responsibility law as the most desirable means of correcting the evil of the inability of a person hurt through no fault of his own, but injured wholly because of the negligence of an automobile owner or driver, to get a money payment on a judgment secured against that automobile owner or driver simply and solely because that driver or owner is judgment proof or finally unable to pay.

After pointing out the deficiencies and objectionable features of the Massachusetts law, Mr. Stone observed that the evils complained of would be completely eliminated if every automobile owner were induced voluntarily to take out a public liability policy. However, all automobile owners will not voluntarily do this. Probably in the future they will not do so unless there be on the one hand some incentive created or on the other some obligation imposed because of or to avoid which they will take out voluntarily such policies.

Objection to Usual Law

The great objection to the usual type of financial responsibility law is that it calls for something to be done after an accident. As to the first accident, as a result of which the law goes into effect ordinarily, no remedy is provided. Something is done after the horse is stolen out of the stable.

However, too much argument cannot be made against the financial responsibility laws merely because that first accident may not be covered, because even under a compulsory law there is a large number of not only first accidents, but other accidents which are not covered. This comes about because of accidents in which non-resident or foreign cars are involved, accidents in which Massachusetts residents are involved outside of the state, accidents happening on private property, accidents caused by insurance dodgers or bootleg automobiles and accidents of owners insured in insolvent companies.

Auto Driving Offenses

The better way to approach the matter is to try to create incentives or impose obligations.

When the insurance is taken out voluntarily the law can apply to the non-resident as well as the resident. The policy covers within the state as respects accidents happening on both public highways and private property. The policy will cover accidents occurring outside the state and policies would have normal expiration rather than under the compulsory law starting at the same registration date and then running for the

Casualty Men on Tacoma Card



J. H. CASENAVE

Two of the speakers at the annual meeting of the Washington Association of Insurance Agents at Tacoma this week are prominent casualty men on the coast. They are J. H. Casenave, who is



S. J. STAPP

head of the accident and health department of Hartford Accident at San Francisco, and S. J. Stapp, assistant manager of Travelers at Seattle. The registration at the meeting was 343.

calendar year. Also, the old rates of commission would be paid.

Frequently persons are found guilty of offenses under the automobile code which do not bring about accidents. If, therefore, a person found guilty of a violation of such a law, thereupon must furnish evidence of financial responsibility, there has been imposed upon him one obligation which puts him in a position that as respects all accidents thereafter caused, he will have furnished protection.

If, in addition, as respects even a first accident, there is given some additional remedy or if it is required that the owner or driver before he may continue to operate any automobile must furnish some kind of security for even his first accident, the chances are that a greater number will voluntarily, before any accident, take out a policy. There will be a certain number that will seek to dodge the law just as some dodge the compulsory law. The great bulk of people will voluntarily take out the policy.

Experience in New Hampshire

This in substance, is the law of New Hampshire. The existing New Hampshire law becomes effective Sept. 1, 1937. The former financial responsibility law was enacted in 1927. It is estimated that as of Dec. 31, 1926, about 26 percent of New Hampshire cars were insured. Ten years later about 36 percent were insured. As of Dec. 31, 1938 about 56 percent were insured and as of Dec. 31, 1939, Commissioner Rouillard estimates that 71 percent are insured. Mr. Stone said that it is safe to say that the number of persons left without remedy under the present New Hampshire law is not much, if any, greater than those left without remedy under the Massachusetts law. Mr. Stone said that seemingly there is complete satisfaction with the New Hampshire law.

Most of the ordinary financial responsibility laws have not really been enforced, Mr. Stone observed. Moreover they do not have enough teeth. Such a law should require proof of financial responsibility to be given after certain convictions and also upon the happening of the very first accident and should give some public official certain discretionary authority to require proof of financial responsibility.

Lake Heads Akron Association

C. C. Lake of the Herberich-Hall-Harter Agency, Akron, O., has been elected president of the Akron Accident & Health Association, succeeding C. H. Allenbaugh of Aetna Casualty. W. H. Wilson, Illinois Bankers Life, was re-elected secretary of the organization.

Holdup Decision Is Clarified

An injustice was done to Maryland Casualty in the July 10 edition in reporting a decision of the Minnesota supreme court involving a holdup loss. The text of the decision was abbreviated in such a way as to convey an erroneous impression. The case was decided in favor of Maryland Casualty in the lower court and was reversed on appeal. A dissenting appeal was filed by one member of the appellate court.

Property was stolen from a truck while the driver had left it parked. Maryland Casualty contended that this was not an "overt felonious act committed in the presence" of the custodian and of which the custodian was "actually cognizant at the time." The portion of the opinion which was abbreviated in the report in the July 1 edition is herewith set forth in full:

"There is much force to the argument of defendant that reduction of risk was its primary motive in including the 'presence' and 'cognizance' required in subdivision (c). It may well be that property attended by an alert custodian is not as subject to theft or disturbance as property in the charge of a neglectful keeper. Very likely, as respects would-be thieves, the conscious presence of a custodian would minimize the possibility of theft. It is from these considerations that defendant concludes that by the language in (c), the parties must have intended that the taking be from the actual, conscious presence of the custodian before it is covered. Under such hypothesis, there would be liability in the case where the custodian unresistingly stands close to the truck and watches the thieves drive away, and no coverage where the keeper walks to a nearby mail box and upon his return sees the thieves driving away. Important though these distinctions may be to the insurer in its anxiety to curtail risk, we do not think that such elusive by-paths of escape from contractual undertaking should prevail unless unambiguous language so compels."

Travelers Reissues Chart Showing Auto Speed Costs

"The High Cost of Speeding," the Travelers statistical table showing costs of driving 1,000 miles at various speeds, has been reissued in view of the threatened shortages in gasoline, rubber and automobile repair parts.

If the automobile operator drives 1,000 miles at 65 miles per hour, he pays \$1 more for oil than at 25 miles an hour, \$5.25 more for gasoline, \$9 more for tires and \$11 more for maintenance. The aggregate cost at the 65 mile speed is almost three times as much per mile as at 25. When the driver speeds up from 45 to 65 miles an hour, he saves less than seven hours time and pays \$2.50 more per hour.

Claim Faker Indicted in Dallas

DALLAS—P. E. Wilson, an ex-convict described by Assistant District Attorney MacNicol as "a professional faller-downer," was indicted by a Dallas grand jury for false swearing in declaring that he had not made any previous claims for accidents. The charge against Wilson was made by E. R. Vinson, special agent of the claims bureau of the Association of Casualty & Surety Executives.

Later in a signed statement Wilson admitted having been in 10 other accidents in which claims for damages were made and indicated his willingness to plead guilty. Seven of the accidents were faked by intentionally throwing himself from street cars or falling on floors of business establishments and feigning back injuries.

Continental Casualty Director

S. J. Templeton, member of the Chicago law firm of Wilson & McIlvaine, has been elected a director of the Continental Casualty.

War Department Plan Saves 42%

About 42 percent has been saved in insurance costs so far under the war department's special rating plan for camp and cantonment construction and industrial facilities. The first quarter of the year has now been completed under the comprehensive rating plan that was adopted May 3, 1941, for insuring of government construction projects on the cost plus a fixed fee basis where the premium exceeded \$5,000.

Not only has the comprehensive rating plan effected savings, but the war department stated that it has been able to make savings from the original projected cost of insurance in connection with projects undertaken prior to the time that the comprehensive plan was put into effect. The war department studied the various projects and where the insurance costs appeared to be high, entered into negotiations with insurance companies in order to reduce the costs. The war department stated that the insurance companies cooperated to the utmost.

Cal. Conference Committee on Adjusters Functioning

LOS ANGELES — The California conference committee on adjusters, formed to compose and harmonize the matters that have led to friction between the members of the State Bar of California and insurance companies and adjuster organizations, has started to function, now that all bodies represented have approved the statement relative to its formation, the rules of conduct in the adjustment of claims and the rules of procedure for the guidance of the committee.

The committee is composed of 10 members, five of whom are appointed by the governing board of the State Bar and five by the insurance companies and adjusting organizations. The rules provide that a majority vote of each interest shall be necessary to approve any action. Investigations shall be directed to the questions of violation of the rules and not to the merits of the claim involved.

The signers of the agreement are the State Bar of California, American Mutual Alliance, Association of Casualty & Surety Executives, International Claim Association, National Board and the National Association Independent Insurance Adjusters. While the agreement was signed last fall, the final signatures were not attached until a few days ago.

Automobile Losses Cause Companies Much Concern

Abnormal Conditions Creating More Liability and Property Damage Claims

Casualty company executives the country over are much concerned regarding the mounting loss ratios of personal liability and property damage automobile business. Nearly every company is making a particular study of its situation and business and endeavoring to ascertain what should be its avenue of procedure. A company executive stated during the week that he looks forward to 1942 as what might be called a catastrophic year in automobile insurance so far as these two classes are concerned.

Business Became Profitable

Following the World War No. 1, and its depression, the automobile business became very profitable. Depression, it might be said, produces profits in automobile insurance. Days of prosperity usually mean higher claim ratios. During the bank moratorium some years ago the claim ratios dropped very noticeably. In fact, those who kept a close watch on the situation said that they fell off 50 percent. People economize during depressions. They do not drive so much. There is less exposure. The automobile does not get out of the garage nearly as often then nor are long trips taken. People need money and if they have a claim they are not likely to quibble over it or get into angry discussion. In other words, claims are much easier to settle.

Highly Competitive Condition

It might be said that the present situation is due to the highly competitive conditions that prevailed some years ago. The National Bureau of Casualty & Surety Underwriters maintained its rate level very much as it had for some time. The members felt that it is very easy to reduce rates but very difficult to get them up if they were too low. The various lines of safety activities had an effect. Local traffic ordinances and rules were more rigorously enforced. This was particularly noticed during the '30s. The rate level was held up without much change in spite of the hard licks that were being made by outside companies. The outsiders reduced their rates about 20 or 25 percent less than manual and a number of companies were selective in their business, thus getting the cream.

The National Bureau evidently felt that at this time it was necessary to take some action and recognize the effectiveness of the outside attack on their bulwarks. Hence the safe driver reward plan was introduced, the idea being to recognize the careful driver. Occupational rating was resorted to in a way. However, these new features did not bring the desired results and the outsiders kept reaping a very fine harvest and their profits increased. Most of the large companies of course wrote other lines of casualty insurance and they were reasonably profitable. They could not get excited over the automobile situation.

Time for Rate Study

It was felt that the time had come for an entire new study of the rate situation and hence reductions were made on the average of 30 to 35 percent less than they were four or five years ago. Some jurisdictions did not get this much decrease and others got more. This move

on part of the National Bureau was a stunner and caused consternation throughout the land. Outsiders realized that they were confronted with a very serious situation. They had to cut under the new rates as best they could. The bureau companies, it was held, had seen a light.

The comprehensive policy has undoubtedly had an effect to a certain extent on the claim ratio.

Unusual Conditions Developed

Unusual conditions have been developed owing to the war situation. In the vicinity of military camps there is congestion of automobiles due not only to the regular people in the camps but visitors. Then in the vicinity of a number of factories that are running full time doing defense work there is a frightful congestion. There is more night driving because of running to and fro from work on the night shift. It has been necessary in a number of cases where there are large factories to stagger the hours somewhat going and coming so that congestion is relieved. More people are driving to work than has been the case in the past.

In addition to the decrease in rates coverage has been continually enlarged. Gradually this, that and the other have been added to the regular pleasure car policy creating something of the same

condition that was prevalent in accident and health insurance many years ago.

Property damage insurance had been especially profitable and was sought after by companies very eagerly. At that time there was a profit of 6 or 7 percent or more on public liability. It was expected undoubtedly by the National Bureau that the severity and frequency of accidents at that time would not show a change. The bureau perhaps knew that the new rates were close to the dividing line, but it was not felt that the effect would be unprofitable.

No one, of course, foresaw the abnormal conditions of the day. War started on the other side, it caused inflation in values. Far more people were employed and anyone who was a wage earner and had a trade could get work at a good price. This meant that more cars were being bought. The finance companies made very liberal contracts and people who had had hardly enough money to pay for the necessities now had a margin and could buy some of the luxuries. The first thing that people thought of was an automobile. The higher income meant increased use of intoxicants, more carelessness and hence more and greater claims.

It is thought that with the combined personal liability and property damage automobile business in 1941, there will

be from 3 to 6 percent loss on the business as a whole. It is predicted that the property damage itself may run from 15 to 20 percent. One of the confusing features is the higher run of property damage ratio in comparison with public liability. The higher proportional loss ratio for property damage is due probably in a certain way to the fact that so many of the newer designs have no running board. Thus there are many side swipe claims which were obviated by machines of the older type which had a running board. Then again the front part of the car is now practically in one part and an injury to any section means an entirely new outfit. The \$2 loss of some years ago may mean a \$33 loss now. Small losses in days gone by amounting to \$1 or \$2 were paid for and no claim was made on the company. Now far more people are making claims and each claim is on the average much higher than was the case in years gone by. Not only is the structure of the automobile a breeder of higher claims but wages in garages and repair shops have increased. Claim frequency has gone up many points.

So far as public liability is concerned, fatalities this year show an increase of from 10 to 12 percent. Perhaps the average claim cost in public liability

(CONTINUED ON PAGE 20)

AS DEEPLY ROOTED

AND

AS STURDY

AS AN OAK

Established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

Observations Made on Insuring the Driver Rather Than the Car

Assistant Secretary T. F. Cass of the Indemnity of North America, who lectured before the Alabama insurance school advocating that personal liability and property damage insurance on automobiles follow the driver and not the car comments further on the question in a letter to THE NATIONAL UNDERWRITER.

Individual Is Primary Cause

He says:

"For many years we have held the theory that the proper approach to automobile bodily injury and property damage insurance rests in the insurance of the individual rather than the automobile itself. Except in the most unusual situations, limited almost wholly to occasions when brakes may be faulty or released when the automobile is parked, there will be no single occasion when an automobile of its own volition will be the actual cause of an accident.

"The primary cause of accident is the individual through either latent inability or mistake in judgment in the operation of the mechanical unit under his control, and it appeals to us that the individual should be made to suffer for his own error whether it be inherent or one of judgment.

Get On Better Basis

"I am convinced that if the individual, instead of the automobile were established as the exposure in the development of automobile premium charges, we would ultimately establish a truer statistical and actuarial basis of rates applying, and that the individual premium charges would be materially less than are now assessed against a single vehicle.

"The use of the individual as a subject of insurance would be more equitable in the treatment of situations which develop under financial responsibility laws and certainly under the Massachusetts or any other compulsory automobile insurance law that might be later enacted.

Would Establish Better Status

"It goes without saying that a status in which the individual is held solely responsible for his own shortcomings is as desirable in the matter of automobile insurance as it now exists in any other legal situation. As it stands now, in the treatment of situations under financial responsibility laws, by reason of filing requirements, the entire family of an individual is often subjected to the same penalties that attached to the individual member of the family who made the filing, and out of our experience with the compulsory law in Massachusetts and the application of any financial responsibility laws, we have developed the feeling that far better results would be obtained from the standpoint of public policy if the punishment accrued against solely the individual responsible than against the

inanimate object now penalized, the family, which of itself was innocent of any wrong doing."

J. W. Randall, vice-president of Travelers, has been elected a director of Travelers Bank & Trust Co.

San Antonio Claim Men Meet

The San Antonio Claim Men's Association heard a talk on philosophy by Prof. Jerry Ledsima of Lady of the Lake College. J. H. Groce, attorney, discussed the different policy contracts

and their relation to types of claims and their adjustment. The discussion was turned into a round table study of the problems the claim man must meet from a legal standpoint.

Experience on Light Planes Bad

NEW YORK—Experience on light airplanes continues to be bad and underwriters are watching it carefully to see whether the recent increase in rates of approximately 20 percent will prove sufficient. The heavy loss record is not due to any fault of the planes but is almost entirely traceable to the lack of

experience of the pilots. Most of these fliers are young men who are taking a training course or have just completed one.

This bad experience may seem at odds with the excellent record for damage and fatalities of students while in the civilian pilot training program but the fact is that when these student fliers get out on their own, away from the closely supervised flight training of the CPTP, they are likely to cut loose and try their wings. If they were using heavier planes with more powerful motors the record would undoubtedly be much worse than it has been.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Many unsolicited letters show that the Maryland advertisements make a favorable and lasting impression on prospects. This ad appears in:

TIME FORTUNE
NEWSWEEK
BUSINESS WEEK

NOW...NOW...NOW

The hour is here when every swing of the pendulum—every minute—must be used in the production of defense materials. Industrial accidents that squander time and wreck the tools of production cannot be tolerated.

Safety engineering has a major part of the responsibility. It is charged with the protection of the wage earner, his machine and even the product he makes.

In this critical hour, broad recommendations

are not enough. Every possible breed of danger has to be taken into account by the safety engineer. There must be safety from accidents in whatever form they may come.

The Maryland has gathered, over many years, a great store of practiced knowledge in safety engineering. This knowledge is constantly working, not only for the wage earner's own safety, but to help prepare and protect all America. Maryland Casualty Company, Baltimore.

O'Connor Ranking Man in Claim Association

Following the death of C. E. Anstett, superintendent of the inspection department at the head office of New York Life, who was president of the International Claim Association, P. J. O'Connor, assistant secretary of the General American Life of St. Louis, as vice-president, is the ranking officer. Mr. Anstett was elected president at the annual meeting in Colorado Springs, last September. The annual meeting this year will be held at Atlantic City, Sept. 8-10.

THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

NEWS OF THE CASUALTY COMPANIES

Employers Mutual's Six Months Work

The Employers Mutual Casualty of Des Moines has issued its semi-annual statement as of June 30, showing assets \$4,746,490, increase \$525,253 since Dec. 31. Its cash is \$1,490,845 and bonds \$1,837,231. These are the two leading features of its portfolio. Its claim reserve is \$1,921,134 and premium reserve \$1,369,589. The reserves increased \$434,760. It puts up \$100,000 voluntary reserve. The surplus is \$961,837, increase \$90,593.

During the first six months the company wrote \$2,062,178 in premiums, a gain of \$325,000 over the similar period in 1940. Practically all this came from automobile and public liability lines. The workmen's compensation business showed only a small portion of the gain. It is anticipated, however, by the officials that the workmen's compensation items due to increased payroll will show a much greater gain during the last part of the year. Kansas led the states in increased volume. New states producing substantial increases were Michigan, Pennsylvania and Washington. In spite of lower rates on all lines the half year operations turned out very profitable. The Employers Mutual Casualty has always believed in putting up ample reserves to meet all possible obligations.

As seen from the portfolio the financial position of the Employers Mutual Casualty is more liquid than ever. A large part of the bond assets consist of federal issues. All bonds are worth more than par and none is in default.

The company is strictly an agency institution. Branch offices are maintained in several states including one at 330 South Wells street, Chicago. It has over 2,000 agents. It is operating in Iowa, Illinois, Nebraska, Minnesota, Kansas, North Dakota, South Dakota, Colorado, Missouri, Texas, Mississippi, Pennsylvania and Michigan.

The company was founded in 1911 by John A. Gunn, who is now chairman of the board and treasurer. However, his son, John W. Gunn, the president, has had excellent training and will maintain the successful policy which his father initiated. The company owns no real estate other than its home office building. It has \$363,774 real estate mortgages under the FHA guarantee system.

Examination Report of Ill. Agricultural Mutual

Illinois Agricultural Mutual, one of the Illinois Agricultural Association companies, had assets of \$2,620,186 as of Dec. 31, 1940, according to the examination report of the Illinois insurance department. Surplus to policyholders was \$1,264,080. Comment of examiners on assets and cash position of the company was very favorable.

The company had net premiums of \$1,958,913 in 1940. These were divided \$18,577 on accident, \$679,634 automobile liability, \$46,751 employers liability, \$256,714 auto fire, wind and theft, \$275,457 auto property damage, \$676,220 auto collision, and \$5,557 live stock. Losses paid totaled \$1,098,969 divided, as above, \$4,072, \$337,937, \$12,195, \$48,315, \$153,820, \$539,571, \$3,056. Total income was \$2,038,466, disbursements \$1,740,216.

A. E. Richardson is active manager, and the company has a contract with the Illinois Agricultural Service Co. as corporate manager. The latter receives 2 percent of premiums and assessments.

The company acquires its business through general and special agents who work out of the local county farm bureaus. The bureaus do not solicit business, but furnish office space and clerical service.

For this the bureaus receive 7½ percent of the policy fee on business written in their territory on automobile, 10 percent on employers liability, 5 percent on livestock and 2 percent on personal accident. On renewals the bureau gets 12½ percent on each automobile and employers liability policy and 2 percent on personal accident premiums.

The company writes automobiles on a cash premium plan, the rate being set by the board of directors for each six months period. These policies are non-assessable. While there is no membership fee, there is a policy fee to cover expense which in case of cancellation is not returned to assured. These fees are charged only on the first six months contract. The company's deviation from bureau rates in country and rural districts where most of its business is written is approximately 12.31 percent off bureau rates.

The employers liability contract is subject to terms and conditions authorized by directors, and is assessable on the basis of two times the cash deposit in any six months period. This cover-

age is written for farmers only. A \$1.50 assessment is levied for each six months or fraction thereof for administrative costs, plus 50 cents for each month of hired labor during the six months period.

The livestock cover is written for 4H members for 15 months or less and is not assessable.

Livestock and personal accident policies do not have a policy fee.

Eugene E. Wilson, president of United Aircraft, has been elected a director of Aetna Life, Aetna Casualty and Automobile of Hartford.

SURETY

Cool Toward Idea of Lawyers Indemnity Bond

NEW YORK—That any of the American surety companies will issue a policy indemnifying lawyers for liability incurred by reason of acts of omission or commission in the course of their professional work, is highly improbable, at least in the near future. London Lloyds

has been writing such a contract for a number of years, and one of the speakers at the recent annual convention of the Federation of Insurance Counsel advocated that the American surety companies offer similar contracts.

As a matter of fact the question was considered by surety executives here five years ago, following the receipt from the insurance department of a copy of the policy issued by London Lloyds, and saying that the granting of such coverage was permissible under the laws of New York. The communication was relayed to all company members of the National Bureau of Casualty & Surety Underwriters, with the suggestion that it be given close attention. After receiving the schedule of rates charged by Lloyds and critically reviewing the contract, the consensus was that the demand for the contract would probably be so restricted that no office would feel warranted in granting it.

Draft New Contractors Bond Form

LOS ANGELES—The Surety Underwriters Association of Southern California, at its meeting here, following an animated discussion referred to its committee on rules, rates and forms the question of the form of bond for contractors to meet the pro-

He has a hospital in his pocket



Tucked away in an inside pocket is a document newly issued to this employee through the co-operation of a progressive employer. For this is a Group Insurance Policy with Standard Accident of Detroit.

Responsible for the transaction are (1) a national trend toward greater security for the worker, (2) the efforts of an alert agent or broker, capitalizing on the trend, and (3)

Standard's modern group policies — broad in coverage, low in cost.

Standard's Group Disability and Hospitalization Insurance is available to a wide range of employee groups. A nation-wide organization is ready to analyze risk factors promptly and give fast policy-writing service on this and all forms of Casualty and Bonding protection. Grow with us!

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

visions of a bill passed by the legislature and signed by the governor, effective Sept. 13. The measure leaves it up to the state board of contractors whether a contractor, in order to secure his license, shall be required to give bond. It also provides that where a contractor has had his license suspended or revoked, then the board shall require him to furnish a bond.

The question of bonds required by the state board of education also was referred to the committee for further study.

Big Bond for Idaho Project

The contract awarded for the construction of an earth dam at the south fork of the Boise River, near Boise, Idaho, to four well known construction concerns of the west coast calls for a performance bond of \$2,000,000 and a payment bond of \$2,500,000. The average premium is \$15.40 per thousand. The time allowed for completion of the work is 1,670 days, and the contract awarded aggregate \$9,986,203.

Rosenwald Estate Bond

U. S. F. & G. has written a \$1,000,000 individual fidelity bond covering the financial manager of the estate of the late Julius Rosenwald of Chicago. This replaces the bond that has been carried by London Lloyds. There are eight co-sureties.

ACCIDENT

Newspaper Accident Cover Has Developed Into Sound Specialty, One User Finds

An interesting article on newspaper accident insurance as an aid to circulation appeared in a recent issue of "Editor and Publisher," trade magazine of the newspaper field.

Written by L. J. Hoffmann, circulation manager of the St. Louis "Star-Times," it points out the numerous advantages of reader-service insurance as a circulation builder. Use of such insurance now is well developed and no longer involves the trials and tribulations of its experimental period. The large insurance companies in this field maintain a staff and furnish experts to install systems and help organize the department for the newspaper. They even assist in training of the publication's circulation salesmen, which eliminates many costly mistakes.

Is French Invention

This cover is a French invention, according to Mr. Hoffmann, which was imported and developed by the London "Daily Mail" in 1913. The newspaper experienced a 30,000 daily average increase with a free policy. In following years numerous changes were made in coverage and in settlement of claims, and many newspapers in London used the plan successfully.

After the war, the promotion was resumed and coverage was increased until large death benefits attracted a vast number of new readers. The "Daily Mail" increased its circulation half a million copies per day in 17 months.

The St. Louis "Star" was the first newspaper in the U. S. to use reader-service insurance, in April, 1919. Although the "Star" increased daily circulation 25,000 in 11 months with the free type policy, it found that issuing free policies without a contract was unsound. Instead policy coverage was increased and sold to the subscriber with a subscription tie-up, the subscriber paying the entire premium, \$1 to \$1.50, in advance. However, this plan was not satisfactory because of the cash outlay in advance.

The "Star" began using the deferred payment plan in 1925, again the first paper in this country to do so. Mr. Hoffmann writes. The subscriber paid

10 cents per month above subscription price. This has proved the most successful type of promotion. It can be worked in almost any newspaper office, regardless of the circulation system in operation. The premium can be collected weekly, monthly or semi-annually. Development of the "all-coverage" policy has cut down on the complaints which were numerous on the old restricted forms because of non-coverage and non-payment for certain types of accidents.

Mr. Hoffmann points out that companies issuing reader-service insurance today are substantial institutions with sufficient experience with newspaper

problems and with this type of insurance to make it a profitable enterprise. He mentions the Washington National, National Casualty, North American, Great Northern, Mutual Benefit Health & Accident, Federal Life, Columbus Mutual Life, Newspaper Insurance Service of Dayton, and Independence of Louisville. It is interesting to note that the majority of these companies are in the middle west and four of them are located in Chicago.

Warns of Three Ill. Companies

Commissioner Taggart of Pennsylvania states that he has received a large

number of inquiries regarding three Illinois companies that are soliciting by mail, they being Bankers Life & Casualty and Westminster Life of Chicago and Pioneer Life of Rockford. He stated that none of these companies is licensed in the state and that Pennsylvanians cannot make use of state courts to enforce the terms of policies of unauthorized companies.

Offers Protection to Housewives

The Security Mutual Life of Birmingham, N. Y., is now extending accident and health protection to housewives through a new rider form under



Licensed in
All States

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE

KANSAS CITY, MO.

Condensed Financial Statement June 30, 1941

ADMITTED ASSETS

Cash (in Banks and Office)	\$1,138,895.67
Bonds:	
U. S. Government (Direct or Guaranteed)	\$2,470,691.91
State and Municipal	3,406,508.04
Railroad	49,707.96 5,926,907.91
Total Cash and Bonds	\$7,065,803.58
Central Surety Fire Corporation Stock	506,984.51
Real Estate	134,962.66
Mortgage Loans on Real Estate	110,009.92
Premiums in Course of Collection (Not over 90 days)	967,990.02
Accrued Interest on Investments	53,719.18
Other Admitted Assets	14,157.68
TOTAL ADMITTED ASSETS	\$8,853,627.55

LIABILITIES

Reserve for Claims	\$2,579,954.38
Reserve for Unearned Premiums	2,270,905.95
Total Claim and Premium Reserves	\$4,850,860.33
Reserve for Commissions, Taxes and Other Liabilities	517,086.07
Voluntary Contingency Reserve	150,000.00
Total Reserves	\$5,517,946.40
Capital	\$1,000,000.00
Surplus	2,335,681.15
Surplus to Policyholders	\$3,335,681.15
TOTAL LIABILITIES	\$8,853,627.55

Securities carried at \$630,275.32 in the above statement are deposited for purposes required by law.

Bonds are carried on amortized basis. Market value of bonds exceeded their book value at June 30, 1941, by \$257,186.20. No bonds were in default either as to interest or principal at June 30, 1941.

Market value of invested assets of Central Surety Fire Corporation exceeded their book value at June 30, 1941, by \$41,798.50.



Qualified with
U. S. Treasury
Department

which they may be covered for monthly accident indemnity, monthly sickness indemnity and accidental death. A hospital rider form to provide benefits up to \$100 a month also is offered.

Emerson Heads Hospital Insurer

W. R. Emerson, formerly with the Oklahoma Gas & Electric Company, has been elected president and a director of the Hospital Insurance Company of Oklahoma City. Dyke Wiley of Muskogee was also elected to the board.

Lebby Leads for 13th Month

LOS ANGELES—W. E. Lebby, state manager of Massachusetts Indemnity, again led all of its agencies in July in paid-for premium volume, for the 13th consecutive month. He has a renewal percentage of 98, also being the top figure of all agencies.

Chicago branch office producers for Continental Casualty who turn in two A. & H. applications this week will be guests of the management at the Chicago White Sox-New York Yankee baseball game Aug. 25 in Chicago.

Group Health Mutual, Inc., St. Paul, sponsored by credit unions of the state, is now providing medical care insurance. It has for some time been offering hospital insurance.

CHANGES

New Madison General Agency

A new general agency has been formed in Madison, Wis., known as the Insurance Service Bureau. The agency is a co-partnership composed of R. L. Pendergast, president; Raymond R. Schultz, vice-president; W. L. Dutton, secretary-treasurer. Mr. Pendergast for a number of years was in charge of the branch office of Builders & Manufacturers of Milwaukee, and later has been connected as claim manager for several companies in Wisconsin. Mr. Dutton has been active in insurance work for 20 years, Mr. Schultz has been in active sales production of insurance for the past 10 years.

The agency handles a complete line of insurance and services the district in western Wisconsin.

In conjunction with the insurance sales, the Insurance Service Bureau maintains claim and engineering departments for the handling of claims in western Wisconsin.

U. S. F. & G. Shifts in Des Moines

DES MOINES—W. A. Rogers, former district supervisor here of United States Fidelity & Guaranty, has purchased a half interest in the local agency of W. J. Carter at Fort Dodge. R. P. Risser, who has been in the claim department, succeeds him as district supervisor.

F. R. Robinson to Mass. Bonding

LOS ANGELES—F. R. Robinson has become assistant manager of Massachusetts Bonding, under J. R. McKinney, southern California manager.

Mr. Robinson has had 20 years of experience in insurance, starting with Globe Indemnity in the home office in 1921. He later served in Philadelphia and in New York, and came to California in 1923. When the Globe opened its office in Los Angeles in 1931 he joined its staff and later was with Wheeler Brothers & Pierce as vice-

president and manager of the casualty department. For the past few years he had been resident manager of Globe Indemnity.

Tormoen with McGee & Sons

KANSAS CITY—Frank H. Tormoen will join Thomas McGee & Sons agency Aug. 25 as manager of its casualty department, a new position. He has been for 12 years with Travelers, in charge of underwriting at Duluth, then in South Bend, and for the past year or so in Kansas City.

R. W. Self, who has been vice-president in charge of production and safety engineering for the Guarantee Insurance Co. Limited Mutual, Los Angeles, has joined Colonial Mutual Compensation as production manager.

COMPENSATION

Pennsylvania 50-50 Plan on O. D. Claims Starts Sept. 1

HARRISBURG, PA. — Pennsylvania's 50-50 plan for making claim payments under its new occupational disease compensation law, put into effect two years ago, will be started Sept. 1.

Payments were to start two years ago, but funds appropriated at that time were too small to start payment. This time a \$1,000,000 fund has been earmarked for the program. Starting on a 50-50 basis, state payments will increase and employer payments decrease by 10 percent each two years until the employer is paying the full amount.

Ohio Fund Reduces Rates

COLUMBUS—An average slash of 3.2 percent in workmen's compensation rates, estimated at \$580,000 a year, retroactive to July 1, has been announced by the Ohio state industrial commission. Increased payrolls and premiums and the general acceleration of industrial activity are given as the principal factors in the decrease, although the legislature at its latest session made substantial increases in benefits.

To combat a steady rise in the cost of occupational diseases, the commission has discarded its flat 2-cent disease rate for a graduated scale of 2 to 50 cents, depending on the hazard.

Cost-Plus Hearing in Minn.

ST. PAUL—A public hearing on the war department's cost-plus-a-fixed-fee plan for compensation insurance on defense projects was held Tuesday before the Minnesota compensation insurance board, which recently received an opinion from E. J. Devitt, assistant attorney-general, that the plan could be approved in Minnesota if it does not result in discrimination. After the hearing the board took the matter under consideration.

Hold Up Remittance to Italy

The Virginia industrial commission has ordered that \$900, awarded in a workmen's compensation case to a woman in Italy, be held in this country by the insurance carrier "due to the state of affairs now existing in Italy."

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The woman's husband, Gaston Salcatore, was killed while working on a construction project at Fort Belvoir, Va.

Mass. Allowances Increased

BOSTON—Governor Saltonstall has signed a bill increasing the minimum under the workmen's compensation law from \$9 to \$11 weekly and the maximum from \$18 to \$20.

Name Mo. Compensation Referee

R. A. Erickson, Kansas City attorney, has been appointed referee for the Missouri workmen's compensation commission.

PERSONALS

Roy Tuchbreiter of Chicago, executive vice-president of the Continental Casualty and Continental Assurance, left Wednesday night of this week with the top agency club of the life company, going to Sun Valley, Idaho, following its convention at the Edgewater Beach Hotel in Chicago. From there Mr. Tuchbreiter will travel on to his ranch which is some 40 miles from Eugene, Ore. There are 1,100 acres in the property, it being 30 miles long and about two blocks wide. Mr. Tuchbreiter has been using the ranch as a stock raising industry but now in addition he will raise holly for the commercial trade and will also take advantage of a wild growth of foxglove from whose leaves the drug, digitalis, is made.

Mr. Tuchbreiter has sold his country home at Wayne, Ill., which is near St. Charles. He had some acreage there and had a stable of horses. Inasmuch as his ranch in Oregon occupies considerable of his time he did not desire to have any further farm responsibilities. However, it is understood that he will build or buy a house in the St. Charles district but will not have any extended land in connection with it.

Raymund Daniel, executive secretary of the Industrial Insurers Conference, underwent an operation in a hospital in Atlanta and is making an excellent recovery.

H. A. Behrens, chairman of the Continental Casualty and president of its running mate, Continental Assurance, is in Chicago this week, first attending the agency convention of the Continental Assurance at the Edgewater Beach Hotel, and later the claim men's convention of the Continental Casualty. Mr. Behrens spends the summers at his home on Belvidere Island, San Francisco Bay. He is returning there following the conventions. He will be at his office in Chicago after the middle of September.

James F. Ramey, executive vice-president and secretary of the Washington National of Evanston, Ill., is able to hobble to his office every other day. He has been flat on his back most of the time during the past six weeks with sciatic rheumatism. Most of the time he has been in the hospital.

E. C. Stone, United States manager of Employers Liability, was in San Francisco this week visiting the Pacific Coast department of the Employers group. He was guest of honor at a luncheon attended by a number of

prominent agents and brokers in the San Francisco area. Mr. Stone was the featured speaker at the convention of the Washington Association of Insurance Agents Monday in Tacoma.

J. P. Taylor, Louisville, field representative for Glens Falls Indemnity in Kentucky and Tennessee, was in Chicago this week on a combination business and vacation trip.

R. V. Mothersill, president of Anchor Casualty of St. Paul, is spending a month in Alaska.

DEATHS

Charles E. Anstett, president of the International Claim Association, died at his home in Jackson Heights, N. Y. Although he had been in poor health for some months he was seriously ill for only a short time. Mr. Anstett, who was 51, was superintendent of New York Life's inspection department. He was a pioneer in the use of photographs and motion pictures in claim investigation work. He was also an expert on

contract bridge, being a frequent tournament player, and was co-author with T. N. Winslow of "Win with Winslow."

Samuel B. Botsford, 64, a director of the Lumber Mutual Casualty of New York and executive vice-president of the Buffalo Chamber of Commerce, died in his home in Buffalo.

W. C. Chesbrough, 45, vice-president of the Republic Mutual of Columbus, was killed in an automobile accident

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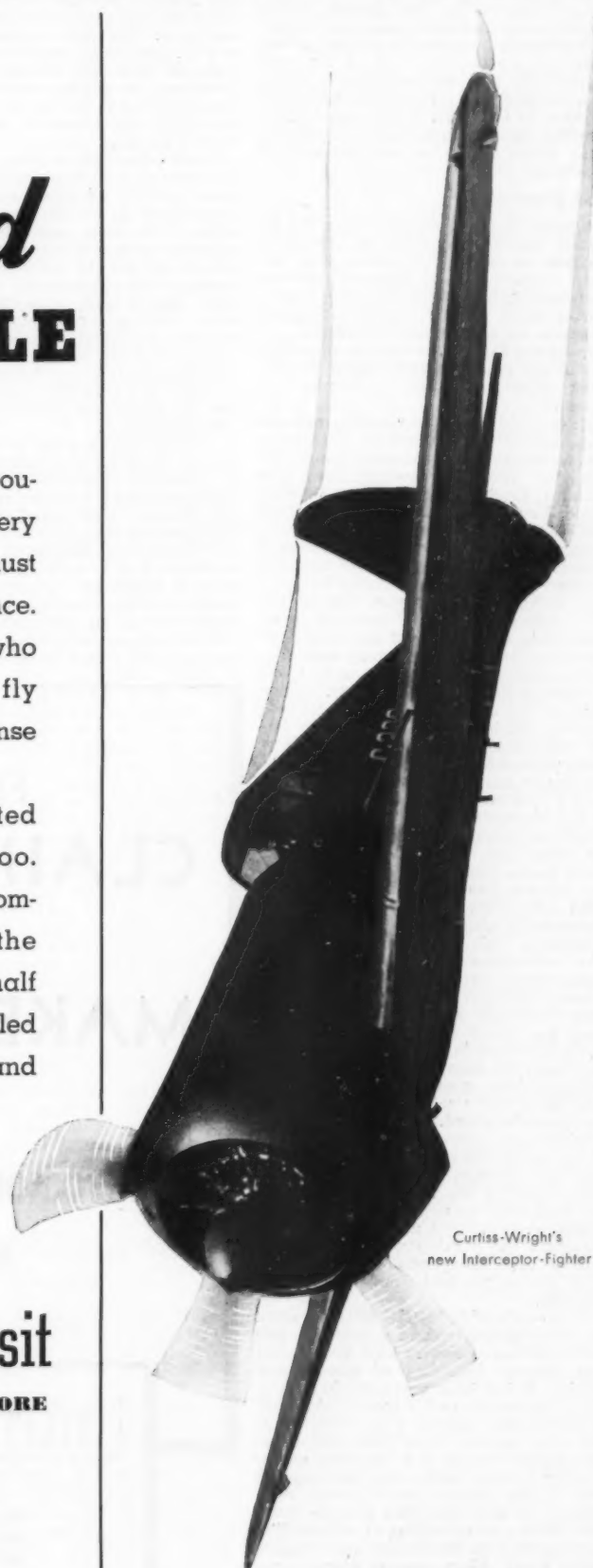
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Traffic Accident Increase Analyzed

Practically all safety sources reporting on traffic accidents show a sharp increase for the first six months of 1941, an Aetna Casualty study by Stanley F. Withe shows. All evidence at the present time points to the fact that this increase will be even greater during the last half of the year, and possibly may continue rising during 1942.

The monthly state-by-state fatality report released by the Aetna's safety education department shows a successive monthly increase in all but a few states during the first half of the year. States with the heaviest defense industries showed the greatest percentage of increase in fatalities. States reporting a decrease or no change are agricultural areas where traffic has not increased as noticeably.

War Jitters

A great though difficult-to-measure influence has been exerted on American thinking by the war situation, and this mass tension has influenced driving. Such tension seeks relief in going places, getting there quickly, and in a general emphasis on momentary pleasures.

A second factor, the step-up in activities of all kinds brought about by defense production, has a number of phases.

Mass shifting of the working population, largely by automobile, is increasing traffic in some already congested districts. Workers moving from one state to another, unfamiliar with new traffic laws and regulations, are causing traffic accidents of many kinds.

Hundreds of thousands of formerly unemployed workers and those working at low wages are now going back to work at higher rates of pay. One of the first outlets for greater earnings is an automobile and increased use of all automobiles. Hundreds of young men formerly without jobs have gone to work at comparatively high wages. Since many of these young men live at home and are not heavily burdened with living expenses, they promptly make a down payment on an automobile. Local newspaper stories show that many of these young men are getting into trouble on the highways.

Defense industries themselves are adding thousands of additional motor vehicles to the highways. In many localities defense haulage is increasing to a point where many highways formerly adequate for traffic needs are now badly congested. This condition is almost certain to increase before additional road space can be provided. Numerous new defense industries are springing up almost overnight with, at the outset, at least, an almost inevitable disregard of traffic problems in the areas surrounding the plant. In many cases provision has not even been made for the truck and passenger traffic which the plant itself has brought about.

Highways, previously used exclusively by civilians, must now be shared with the military. Long processions of army vehicles are a frequent sight on the highways in many sections of the country. At present military use of the highways has developed so rapidly that with a few exceptions safety experts have not as yet had time to solve the problem.

Thousands of industrial drivers trained in safety principles and considered safe and experienced drivers have been called into various branches of government service. It has been necessary in a number of instances to fill their ranks with inexperienced drivers with the result that fleet owners, from light city delivery trucks up to the heaviest cross-country haulage units, may face an upturn in the accident rate among their drivers. It will take time to train these new drivers in principles of safety. The same applies to mechanics and maintenance men. Fleet owners already are experiencing difficulty in finding enough skilled men to keep their vehicles up to the safest operating standards.

10% Discount Boosts Group "Package" Participation

NEW YORK—Because it is increasingly evident that there is a big future for combination plans which include group life, accident and sickness, accidental death and dismemberment, hospitalization, and surgical benefits, there should be much interest in a plan for promoting not only the sale of the entire group "package" but of obtaining the widest possible participation among employees. The plan worked out by Elmer G. Leterman, one of the top-notch personal producers, and his partner Dan Friedman, is unique and in the single case in which it has so far been applied, amazingly successful in producing the desired results.

Briefly, the system is to persuade the employer to contribute 10 percent of the gross cost in all cases where the employee signs up for all five of the coverages. This may seem like quite an expensive proposition to sell to an employer but the 10 percent contribution stands to be substantially reduced, perhaps wiped out altogether, by the better dividends resulting from the increased participation. Since any increase over the minimum required for participation tends to bring in the better lives and thereby sweeten the average, the effect on dividends may be very considerable.

Another selling point is that by offering the 10 percent inducement there is an increased spread of risk, tending to eliminate almost entirely any chance of exceptionally bad experience having a bad effect on dividends, for there is not only wider distribution in numbers of employees but in number of coverages. Even if experience is bad on say, accident and sickness weekly benefits, it will hardly be bad on other lines as well.

The case on which this group package was sold on the 10 percent contribu-

tion basis is the Bond Stores, Inc., well known clothing chain. Evidence of the 10 percent contribution's efficacy is shown by the fact that the plan had been in effect for some time before Messrs. Leterman and Friedman had worked up the 10 percent discount plan. The risk was then solicited on the 10 percent discount basis and participation in all coverages rose sharply, running as high as 96 and 100 percent for some stores.

Changed Conditions Create Market

The need and the market for this combination proposition, according to Messrs. Leterman and Friedman, arise from today's labor conditions as well as the growing social consciousness of employers. The system used to be to pass the hat and for the employer to make a substantial contribution when an old faithful employee died, or to keep on paying his salary in case illness or accident laid him off for weeks at a time. That was in the days before extensive unionization.

Today employers are prone to feel that under union contracts employees are getting the wages they are entitled to. There isn't the margin to take care of absences due to illness or to pay out death benefits. Furthermore, employees themselves don't care for the uncertainties of a "when, as and if" type of benefit, whether it is death benefit, pension, or pay during illness. They want to know what they are going to get. If the employer is going to get any labor-relations benefit out of what he arranges in benefits he has to put them on an assured basis, which means insurance.

A strong appeal in offering all five coverages is that while employees—like the public in general—are vaguely and dutifully aware of the need of protecting

against the risk of death, they are keenly interested in making sure that illness or injury will not bankrupt them or put them in debt to the personal finance companies for the rest of their days.

Incidentally, the plan worked out by Messrs. Leterman and Friedman offers no opportunity for an employer to enrich himself at the expense of his employees' insurance program. For one thing, the law prohibits such enrichment, barring the employer from taking back in dividends any more than the amount he contributes. Ordinarily the employer is not interested in making money in this fashion, being glad to contribute something toward making the plan a success. The usual system of giving back dividends is to suspend the monthly pay deductions for a time or else to make them in the form of a contribution to the employees' benevolent fund.

Hartford Writes Big Bond

NEW YORK—Two bonds, each for \$5,000,000, were written by Hartford Accident, guaranteeing performance and payment of labor and material by the D. W. W. Contracting Co., Brooklyn, successful bidders for the construction of the Fort Green housing project here. The award was made by the New York City housing authority at \$9,384,825.

NO STONE LEFT Unturned

It is a tradition with the Pennsylvania Casualty Company to give attention to the seemingly unimportant things. Unusual requests or questions from agents and policyholders alike are answered in the true spirit of service.

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Give Program for Insurance Counsel at White Sulphur

The program has now been arranged for the annual meeting of the International Association of Insurance Counsel at White Sulphur Springs, W. Va., Sept. 3-5. The evening of Sept. 2 there will be held the president's social hour and the meeting of the executive committee. At the first formal session the address of welcome will be given by Attorney-general C. W. Meadows of West Virginia. Payne Karr of Seattle will respond and Oscar J. Brown of Syracuse, N. Y., will give the presidential address.

Other papers to be given that morning include "Litigation and the Soldiers' and Sailors' Civil Relief Act of 1940" by John B. Martin of Philadelphia and "Federal Court Rules and Their Application to Insurance Litigation" by John L. Barton of Omaha. Reports will be given by the executive committee, secretary, treasurer, and the general legislative committee by F. B. Baylor of Lincoln, Neb., the chairman; home office counsel by Hugh D. Combs, vice-president U. S. F. & G., and on life insurance by Paul J. McGough, Minneapolis.

A symposium conducted by the committee on practices and procedures on federal rules of practice will be conducted that afternoon. Alvin R. Christovich of New Orleans is chairman.

Meeting Medical Proof

At the second day session addresses will be given as follows: "Meeting Medical Proof" by R. E. Dineen of Syracuse; "The Trend of Decisions in Actions Between Husband and Wife for Personal Injury" by Clarence W. Heyl of Peoria, Ill., and "The Casualty Home Office Looks to Counsel for Better Public Relations" by V. C. Gorton, vice-president of Allstate of Chicago.

There will be committee reports at that session on casualty insurance by M. M. Roberts of Cleveland; fidelity and surety laws by L. P. Dodd, Detroit; fire and marine by W. P. McDonald of Memphis; health and accident by Jewell Alexander of San Francisco; unauthorized practice of law by James T. Blair of Jefferson City, Mo.; workmen's compensation by K. B. Cope of Canton, O.; compulsory automobile insurance and financial responsibility legislation by John L. Barton of Omaha.

At the final session, James S. Kemper of Lumbermen's Mutual Casualty and immediate past president of the U. S. Chamber of Commerce, will give an address "National Defense and American Economy." Lasher B. Gallagher of Los Angeles will give a paper on "May an Insurance Company Rely on the Allegation of a Complaint Against One of Its Insured in Deciding Whether the Case Is One Within the Terms of the Policy?"

Boost Surplus of Ocean

As a result of an examination by the New York department, surplus of the U. S. branch of Ocean Accident is increased by \$423,211 from its Dec. 31, 1940, statement. The examiners reduced claim reserves by \$364,569. The mark down in compensation reserves was \$224,263. Assets amounted to \$18,392,709, statutory deposit \$900,000 and net surplus \$5,194,321.

Bushnell to La. Commission

NEW ORLEANS—Rodrigue Bushnell, formerly underwriter of the casualty department of Larsen & Co., Houston, Tex., has been appointed assistant secretary and actuary of the Louisiana Casualty & Surety Rating Commission, succeeding W. J. Farber, who is now with the Parkerson General Insurance Agency of Lafayette, La. Mr. Bushnell is an experienced casualty man. Mr. Bushnell and Chairman E. A. Conway of the commission were guests at the

August meeting of the New Orleans Insurance Exchange.

S. B. Hunt, president American Life & Accident of St. Louis, has applied to the Federal Communications Commission for a permit to install, maintain and operate a radio broadcasting station in Alton, Ill. It is understood that the radio station will be a personal venture for Mr. Hunt and it is to be operated independent of the company.

A. S. G. Wallquist, assistant manager of the bonding department of Boit, Dalton & Church, Boston, for the past two years, died Monday.

Gordon B. Finley, Travelers claim department, Louisville, a reserve officer, will report at Fort Benning, Ga., Aug. 23, as a captain of infantry. He has been with Travelers six years.

Automobile Losses Cause Much Concern

(CONTINUED FROM PAGE 22)

has not increased so much, certainly not as much as in property damage.

Just what may be the remedy to meet the situation is not disclosed. The National Bureau has taken no steps and may not. Individual companies on the outside are endeavoring to stem the tide in different ways. For instance, some of the companies that have not required an investigation of applications are now getting reports from credit and investigating companies. This investigation, of course, adds to the cost. Then again underwriting is tightening up, an executive of one of the companies saying, "We are getting mighty tough in regard to our automobile business."

Some of the offices are having their claim men take far more time to investigate claims and see whether it is the opinion of the adjusting department this policy on which claim is made should have been written in the first place. Much can be learned from the loss department and criticisms are invited where it seems apparent that an application should not have been turned into a policy.

The automobile specialty companies writing full cover have an advantage in that they get the entire automobile premium as a rule. That gives a company more money to play with. A few years ago it was suggested that the fire and marine companies write the collision and the casualty companies the property damage. The collision loss ratio is high but very little collision is now written by the casualty companies.

REVISION APPEARS INDICATED

NEW YORK—While it is much too early to tell on a purely statistical basis whether present bodily injury and property damage rates need revising upward in the light of current experience quite a few National Bureau companies feel that this is the case though others find that losses are running no worse than last year. It is significant, however, that there is a dearth of reports of a more favorable experience. Furthermore, there is no doubt that property damage loss ratios are causing more complaints than are bodily injury claims.

As far as property damage is concerned, the claim frequency per 100 cars insured has changed very little over the last few years. This is also true of the average claim cost. The reason that loss ratios have been inching upward toward the maximum permissible percentage is that because of numerous rate reductions the companies are insuring a great many more cars for about the same amount of aggregate premium. Whether this year's apparently abnormally bad experience is a temporary fluctuation due to the defense activity or whether it is merely the experience cycle beginning its upward swing, it looks as if property damage rates need boosting.

A complicating factor as regards both

bodily injury and property damage coverages is the effect of the new private passenger rating plan. This year is the first during which the new plan has been in general adoption although probably it was about 70 to 80 percent in force in 1940. The net result of this system is that there are fewer dollars per average unit of exposure.

Until the end of this year it will not be possible to say accurately what the experience has been under each classification of these rating plans because it is necessary to wait until all policies written in 1940 have expired, and this might occur as late as Dec. 31, 1941. To attempt to use a shorter period might introduce a serious error unless the distribution of policies by classifications (A, A-1 and B) coincided with the distribution for the entire year. However, a pretty accurate idea of 1941 experience can be obtained without waiting for all business written in 1941 to expire. By the end of this year it will be possible to compute the average pure premium for 1940 business on a 24 months' as well as a 12 months' basis. The percentage by which the 24-month figure exceeds the 12-month figure, when applied to the 12-month figure for 1941 business, will give a forecast of what may be expected when all business of policy year 1941 has run off the books.

Interest in Consolidated Data

Companies are intensely interested in what the consolidated figures for all organizations will show, for no one feels very certain that the differentials for various types of risks are accurate.

One reason why it is so much more difficult to pass accurate early judgment on the adequacy of current bodily injury rates as compared with that of property damage premiums is that while a P. D. case is settled on the average in about three months it may take several years to settle a bodily injury claim. Therefore the question of individual company judgment on the size of a loss reserve enters in.

Companies are somewhat dubious about the effect on bodily injury claims of permitting automobile owners to carry passengers for hire so as to conserve gasoline in accordance with Secretary Ickes' request. They are not concerned about any possible increase in number or severity of accidents. The danger is that one who carries passengers for hire is supposed to exercise a higher degree of care than one who is merely a host to passengers who are riding gratis. If juries take the view that the owner is virtually the guarantor of his passengers' safety, awards may be greatly increased. Furthermore there is grave danger that in order to insure the obtaining of an award or a higher one than would otherwise be granted passengers and drivers may allege that claimants were being carried for hire when they were not being charged anything.

Against this possibility there is the hope that the gasoline conservation measures will reduce the number of and severity of accidents since there is much emphasis in the gas-saving campaign on holding speeds down to around 40 miles an hour.

People in Insurance Work and Their Income

THE NATIONAL UNDERWRITER has received an inquiry from a subscriber regarding the number of people employed in the insurance industry and their income.

The best statistics available on the number of persons in the insurance business are in Chapter 1 of "General Insurance" by J. H. Magee. Dr. Magee, in addition to being a professor of insurance, is also in charge of social security administration for the state of Maine and hence presumably should be well informed on employment conditions.

Dr. Magee states that the number of persons dependent entirely or partially upon the insurance business for their

Convention Dates

Aug. 14-15, Oregon Agents, Portland, Multnomah Hotel.

Aug. 18-19, Idaho Association of Insurance Agents, Idaho Falls, Hotel Bonneville.

Aug. 19-20, Association of Mutual Fire Insurance Engineers, Boston, Hotel Statler.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C., George W. Vanderbilt Hotel.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Conference, Hershey, Pa., Hotel Hershey.

Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 9-10, Iowa Agents, Cedar Rapids, Montrose Hotel.

Sept. 11-12—Michigan Agents, Grand Rapids, Hotel Pantiild.

Sept. 11-13, Minnesota agents, Kahler Hotel, Rochester.

Sept. 15-16, Montana agents, Billings, Commercial Club.

Sept. 15-16, Pennsylvania Agents, Shawnee-Delaware, Buckwood Inn.

Sept. 15-18, Canadian Superintendents of Insurance, Toronto, Royal York Hotel.

Sept. 16, Vermont Agents, Woodstock Inn, Woodstock, Vt.

Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 18, North Dakota Insurance Federation, Grand Forks, Dacotah Hotel.

Sept. 19-20, Wyoming agents, Casper.

Sept. 19-20, Insurance Federation of New York, Rochester, Hotel Seneca.

Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Sept. 24-26, Kansas agents, Salina, Lamer Hotel.

Sept. 24-26, New Jersey Agents, Asbury Park, Berkeley-Carteret Hotel.

Sept. 29-30, Utah Fire & Casualty Insurers Association, Salt Lake City.

Sept. 29-30, Oct. 1-3, Insurance Section, American Bar Association, Indianapolis, Claypool Hotel.

Oct. 3-4, Colorado agents, Denver, Shirley-Savoy Hotel.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 6-10, National Safety Congress, Chicago, Stevens Hotel.

Oct. 8-10, Fire Insurance Accountants Conference, Norwich, Conn., Norwich Inn.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Oct. 13, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.

Oct. 16-17, Ontario agents, Toronto, Royal York Hotel.

Oct. 20-22, Ohio Agents annual meeting, Hotel Secor, Toledo.

Oct. 27-29, National Association of Mutual Insurance Agents, Pinehurst, N. C.

Oct. 28-29, Indiana Agents, Indianapolis.

Oct. 31, New Hampshire agents, Carpenter Hotel, Manchester.

Nov. 3-6, National Association of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Los Angeles.

Nov. 5, Connecticut Agents, New Haven, Hotel Taft.

Nov. 6-7, Illinois Agents, Peoria, Pere Marquette Hotel.

Nov. 10-12, California Agents, Sacramento, Hotel Senator.

Nov. 18-19, Georgia Agents, mid-year, Macon.

Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

livelihood is about 3,600,000. The number actually employed is about 1,250,000, of which 780,000 are assumed to be heads of families. He also states that, exclusive of agents and their employees, there are 251,350 office employees in the insurance field. In the fire insurance field, there are 163,000 licensed agents, and 64,000 licensed brokers, who employ in their offices more than 580,000 persons. Life insurance companies had 86,000 office employees and 320,000 licensed agents.

Dr. Magee also cites the United States Department of Commerce as his authority for the statement that the total compensation paid to officers, employees and agents in the insurance field in a single year is \$1,120,871,000, divided into salaries of employees, other than life companies, \$193,673,000, compensation of agents other than life, \$409,679,000, salaries of officers and employees of life companies, \$118,702,000, salaries and expenses of life agents, \$146,274,000 and commissions of life agents, \$252,543,000.

Federal Premium Tax Is Again in Offing

(CONTINUED FROM PAGE 19)

resented more than \$300,000,000 of revenue.

Last week, when the treasury submitted to Congress a set of recommendations for additional tax, the insurance tax proposal was not among them. Those recommendations included joint income tax returns except where both husband and wife have earned incomes and also a radical lowering of the tax base. Should those recommendations be passed, it is understood that the Treasury will hold in reserve for the time being the insurance tax proposal, and will bring it out perhaps in September. If the latest recommendations are rejected, however, it is believed the Treasury will seek to have the insurance tax included in the pending revenue bill.

The accident and health premiums of life insurance companies and of exclusively accident and health companies amounted in 1940 to somewhere in the neighborhood of \$200,000,000.

MORGENTHAU MAKES DENIAL

WASHINGTON—Senator Danaher of Connecticut asked Treasury Secretary Morgenthau during the senate finance committee hearing if any plan to tax life insurance were being considered. Morgenthau denied that this was the case. The New York "Herald Tribune" account of the hearing, however, stated that Assistant Secretary of the Treasury Sullivan later said such a plan was being considered.

Remove "Carrying for Charge" Auto Policy Exclusion

(CONTINUED FROM PAGE 19)

It never has been decided conclusively by a court of last resort that arrangements to transport fellow workers, or workers in neighboring factories, to and from work are a violation of the exclusion which would void the policy. Decisions on the many other aspects of this exclusion were never clear cut and occasionally conflicting. Because of the uncertainty, authorities always advised that the 10 percent additional charge be paid wherever the assured participated in any such arrangement.

About two years ago, the supreme court of Michigan held that a student who carried fellow students to and from school for 75 cents a week had not violated his collision coverage, but many observers held that this case was not conclusive, because a liability policy was not involved, the exclusion used was different in wording from that in the standard liability form, the Michigan courts have often been at variance with those of other states on automobile insurance matters and the manual makes no mention of fellow students, whereas it very clearly refers to fellow employees. The fact that there was a provision in the manual for covering the hazard of transporting fellow employees, in the opinion of many, could at least be admitted as evidence that the companies did not intend to cover this hazard without an additional charge. The Michigan case was *Wood vs. Merchants Insurance Co.*, 289 N. W. 259.

"For a Consideration"

Originally, the exclusion in the liability policy referred to "passengers for a consideration," and this language was employed in the first standard form, which became effective in 1936. Most of the court decisions on record

involve this wording, or similar wording, in old or nonstandard policies. The language was changed to "persons for a charge" about two years ago, following the sensational case of *Western Machinery Company vs. Bankers Indemnity*, 75 Pac. (2nd) 609. In this case, an employee of the assured had driven a customer to look at some machinery he was thinking of purchasing. The customer was injured in an accident and sued the assured, claiming that the California guest law did not apply because he was being carried for a consideration. The California supreme court upheld this contention, and

permitted the customer to recover a judgment, then dived neatly between the horns of the dilemma and held that the assured was not a "passenger for consideration" within the meaning of the automobile policy exclusion, although he was within the California guest law, so the insurance company had to pay the judgment. As a result of this case, there was considerable pressure from agency organizations for a wording which would make it clear that the assured was not in any danger of violating his policy when he carried a business prospect, so the word "charge" was substituted for "consideration."

MOTOR INSURANCE NEWS

N. Y. Warns as to Deviations

Seven companies which had been allowed to deviate 15 percent in New York state on automobile collision business, effective Aug. 7, may deviate only 10 percent and Northern of New York, which has had a deviation of 25 percent is cut to 17 percent on order of the New York department. Superintendent Pink has decided to defer until next year the requirement of full compliance with standards of expense ratios substantially less than 46½ percent before continuing such deviation.

The companies that are permitted to deviate 10 percent are American Automobile, General of Seattle, Hamilton Fire, Merchants of New York, Pacific Fire, Standard of New York and Washington Assurance.

In respect of fire, theft and comprehensive, these companies will continue to use the deviation that was granted last year. Northern of New York had a deviation of 25 percent on those coverages and the other companies had a deviation of 15 percent. Property damage deviations were denied.

Some time ago the New York department prepared a memorandum on its attitude towards deviations. In the future, if the department finds that a company's general financial condition and its combined expense and loss experience warrants giving consideration to a request for deviation it will compare that company's expense ratio with the estimated allowable of 46½ percent and then ascertain the standard loss experience of all insurers for the particular type of insurance. The deviation will be granted if that company has an expense ratio substantially less than 46½ percent. Otherwise the deviation will not be granted unless it is found that the state levels for the coverage have not been adjusted to reproduce a permissible loss ratio of about 50 percent, including claim expense. If the rate levels, however, have not been adjusted to reproduce such a loss ratio, a deviation will be granted even though the company may not show a substantially reduced expense ratio.

The memorandum states that although the companies mentioned above with one exception, that of Pacific Fire, do not appear to be able to justify a deviation on the standards set up by the department, yet they should be given an opportunity to adjust themselves to an elimination of the deviation for collision. At the end of July 31, 1942, the requirement of full compliance with the outlined basis will be enforced.

Information Issued Against St. Louis Auto Agency

ST. LOUIS—The South Side Chevrolet Company and its officers were charged in information issued by Assistant Prosecuting Attorney Mushlin with acting as agents in negotiating automobile insurance without a state license and with embezzlement by agent of an \$11 insurance premium.

The complaint named J. R. James,

president of the automobile distributing company; L. K. Boyce, secretary-treasurer, and R. B. Belknap, a director. Information also was issued against the Downtown Chevrolet Company, which was merged with the South Side company in June, 1940.

The informations were issued at the direction of Attorney-general McKittrick of Missouri. The complainant was Laythle Timmons of Oskaloosa, Ia., who claimed that he purchased a used car from the Downtown Chevrolet Company about a year ago, paying \$187.50, which he claimed included an \$11 premium to cover fire, theft and \$50 deductible collision insurance.

The car was subsequently wrecked in an accident but when Timmons asked for an insurance settlement from the automobile agency he was referred to a finance company. Mushlin said that no record of a policy, other than the notation of the insurance premium, was found.

Settlements Exceed Estimates

As an indication of the way in which labor and parts in connection with automobile repairs are increasing, an automobile underwriter this week compared the amount of checks made in final settlement with the original loss estimate of the adjustment company. He found that there were about 15 settlements that exceeded the original estimate by from \$40 to \$90. This is extremely unusual, as in the past the adjustment company on nearly every loss has been able to give an estimate that tallied almost exactly with the final results.

The cost of labor seems to be going up all the time. The story is told of a garage owner who is paying four of his men a bonus of \$25 each to work Saturday afternoons. He finds that unless he gives some such handsome recognition as this that his men will be off to work somewhere else. Of course, he has to collect this \$100 extra each week from his customers.

CANADIAN

Canada Superintendents to Meet in Toronto Sept. 15-18

TORONTO—The Association of Superintendents of Insurance of the Provinces of Canada will hold its annual conference at the Royal York Hotel here Sept. 15-18. Last year it was decided not to fix definitely the date or place of the 1941 meeting, but after thorough consideration it has been decided to hold the usual open conference.

The report of the committee on fire insurance legislation, A. E. Fisher, Saskatchewan, chairman, will contain the recommendations of a sub-committee appointed to report on (1) interpretation of the term "risk"; (2) the possible conflict of certain provisions in the supplemental coverage with the statutory provisions relating to war exclusion, co-insurance, other insurance and weather insurance; (3) proposed revision of the

fire statutory conditions; (4) a draft section requiring written application for all fire contracts. It will also include further submissions respecting the adoption of a new form of war exclusion clause and material relating to the exclusion of the hazard of prairie, stubble and brush fires, etc., submitted by the Western Canada Underwriters Association.

The report of the committee on accident and sickness legislation, McNairn, Ontario, chairman, will include further submissions in respect to group accident insurance and hospital associations.

On licensing and regulation of insurance agents, MacLatchey, New Brunswick, chairman, there will be further submissions respecting (1) the so-called life insurance company agreements; (2) basic uniform principles recommended to be followed by the superintendents for the licensing and regulation of other than life agents, and (3) statistics of agents licensed by various provinces.

The report of the life insurance committee, Garret, British Columbia, chairman, will take up recommendations on group life insurance from its drafting committee, showing progress in development of a proposed bill providing uniform statutory provisions for this type of insurance. Difficulties encountered respecting declarations which appoint and change beneficiaries and deal with insurance moneys will receive further consideration.

Requirements on Inspectors

TORONTO—Soon after Canada entered the war, it was indicated in new regulations from Ottawa that fire companies in the Dominion—Canadian, British and others—must only employ inspectors (special agents) of British birth.

According to a booklet just issued by the department of national defense, the only requirement is that all inspectors must have a card of identification furnished by the commissioner of the Royal Canadian Mounted Police.

No report by an inspector on his inspection of any such property shall be sent outside of Canada, except that if any insurer has no Canadian branch or office in which final action can be taken on any such report, or if for any other reason the report is required to be sent to any point outside of Canada, it shall be submitted to the commissioner, who, after examination, will either forward it to the address indicated by the sender, or return it to the Canadian office of the sender with appropriate instructions.

No Conference with Agents

TORONTO—There is little probability of any conference with agents on the rate schedule of the Canadian Inland Underwriters Association. Wilson McLean, secretary-treasurer and manager, says he sees no point in arranging such a meeting, especially in view of the fact that "agents will not discuss anything pertaining to reductions in commission rates."

He said there has been no opposition to the rates from company members and no withdrawals from the association.

Manitoba Adjusters Organize

WINNIPEG—The Manitoba Insurance Adjusters Association has been formed with these officers: President, S. L. Sterling of S. L. Sterling & Co.; vice-president, C. D. Taylor of Paterson, Waugh, O'Fallon & Taylor; secretary, J. H. Sinclair, Canadian General; treasurer, W. N. Norton, J. P. Hamilton & Co.

Tucker Made Assistant Manager

WINNIPEG, MAN.—H. G. Tucker has been made assistant manager of the insurance department of Osler, Hammond & Nanton. He has been with the firm 25 years. W. E. Meikle, director, manages the insurance department.

POINTERS FOR LOCAL AGENTS

Some Basic Problems That Producers Must Recognize

H. W. Semmelmeier of San Francisco, manager of the public relations department of the Pacific Board, spoke this week before both the Washington and Oregon local agents' annual meetings. He said that there are six basic problems each agent must recognize in order to conduct a successful insurance business. He gave them as follows:

1. Declining public confidence in producers.
2. Competition.
3. Rising cost of office operation.
4. Declining return from each sale due to reduction of rates.
5. Capital value of business not being maintained.
6. New production at a standstill.

Speaking further Mr. Semmelmeier said:

Declining Public Confidence

"Declining public confidence is an unpleasant thought which will not be accepted readily and therefore it seems advisable to offer some proof. In the last five years education has been the keynote of all producers' organizations. Why? Not with an increase in the income of those who participate in mind, but to increase their ability to perform a service that will enlist public support. In the last five years much has been said and done about incompetent and part-time producers. Why? Not to selfishly put them out of business, but to 'raise the standards of the business' so the public will not think of an insurance producer as a sort of 'moocher,' but as a professional man with knowledge and service needed by the public for which payment must be willingly made.

"To secure an outside point of view, insurance buyers, specialists in merchandising and others who have demonstrated the possession of an analytical as well as a conservative mind have been invited to freely and frankly express their opinion of the organized insurance business and what changes must be considered if it is to continue to merit public favor.

Question Value of Producers

"Did you know that the producers of California were forced to defend their right to 10 percent commission on workmen's compensation insurance; it being contended by a governmental agency that they could not possibly earn so much on coverage required by state law?

"Have you been in contact with those school boards and other governmental subdivisions that have been so outspoken in criticizing the services of producers? In fact, it is not a question of criticism for there are many now questioning the need for producers at all.

Comment on Competition

"Competition will always be with us but there are certain forms that are gaining strength to the detriment of organized producers. There is the problem of government insurance funds for which there is an increasing demand. Politicians are quick to see declining public confidence and to use it as an excuse to create jobs they can control as well as to accumulate insurance funds that will be a source of further power. Then there is a rise in self-insurance funds, not only in governmental subdivisions, but also among private insured.

This competition often starts as a protest against producers who offered no service to justify their forced employment. With this idea in mind, it is easy for the larger insured to feel that he can make a substantial saving through the elimination of the normal overhead of the business.

"Competition of direct writing carriers is increasing. They take advantage of declining public confidence by offering insurance 'at cost' without 'frills' and classify the agent or broker as the principal 'frill' for which the public must pay.

"Side-line agencies, principally automobile dealers and financial institutions, are making increasing inroads into the business, but this statement will be accepted without question. Non-organization agents and brokers will always be with us.

Cost of Office Operation

"Rising cost of office operation is the result of economic conditions, assuming we have given intelligent attention to efficient management, and beyond our control. No doubt we can expect more and higher taxes and rising costs of the commodities and services we must buy. We must expect to give more service to the public, not less, in the years to come.

"Declining rates producing less income is another economic law in operation. We have worked hard on fire and accident prevention and will work still harder. Our results will show in reduced rates producing less commission for ourselves and that means renewals will be less productive each year.

Capital Value Not Maintained

"Capital value of producers' business is not being maintained. Insurance has always been an attractive business because each sale resulted in an income today and in a capital asset possessing permanent value throughout the future. To preserve and enhance capital value producers have organized local, state, and national associations. Because capital value is founded upon stability of rates they have enforced separation in the fire business. Because capital value is declining, new requests, new proposals are being constantly submitted to fire company organizations with the hope that an improvement can be made.

"But fire premiums now represent only one-third, or less, of the producer's income, the balance being casualty business of which the majority is placed 'over the counter' at reduced rates and at excess commission.

New Production at Standstill

"New production is at a standstill. Why? Because renewals, collections and office detail take all of the producer's time. Why? Because he has reached a saturation point, and all his time is needed to properly care for the customers he now has without permitting any time for new solicitation. Why? Because he is human and follows the line of least resistance, doing that which is pleasant and easy rather than reorganizing and doing that for which he is best fitted—producing.

"Now for the solution; first, let us accept as fact, without complaining, that rates will continue to decline and the cost of office operation will increase. All businesses experience these prob-

lems. Those which survive do so by fitting their operations to existing conditions.

"Second, let us realize that confidence is badly needed; confidence in ourselves, in our companies, in the service we actually and willingly perform; confidence in our place as businessmen in our communities; confidence in the need of the public for our services; and confidence in our right to expect pay for our time and knowledge.

"Finally, there is the willingness to change. Do you resist change?

"Let us review some of the positive action that will affect our problems. Declining public confidence is the result of neglect. We do not tell people about ourselves, our service, our value, our business. We must educate ourselves, not so much in the technicalities of our business, but in its fundamentals, in salesmanship and in performing more and better service. We must 'raise the standards of our business' among ourselves in order that we may justify qualification laws and such things as the Declaration of Guiding Principles. We must maintain close contact with trade groups, public bodies, luncheon clubs, and other organizations so that we may successfully combat unfavorable attitudes that inevitably develop as a result of ignorance and the absence of a competent insurance man to explain the facts.

Competition Life of Business

"Competition is the life blood of American business. It eliminates the unfit, lowers prices, produces improvements, gives us always more for our money. We cannot remove it from our business and maintain it in others when we become the purchaser. Throughout the years an unsound businessman, one not giving the public value received, has quietly disappeared. There is no question about the insurance business continuing, but the manner in which it is conducted will change with public demand.

"The side-line agency such as the automobile dealer and the financial institution presents another problem, and a general solution of it is dependent upon the strength of producer organizations and perhaps their ability to go into the finance business or at least provide financial facilities for their membership. Perhaps the answer is a legislative one, but certainly the solution will be determined by the strength of your producer organization.

Rising Cost of Operation

"Rising costs of operation are inevitable but can be offset by improvements in our time-honored system. We have prided ourselves upon giving personal attention to each client, however small; we have solicited policies, written them, then tried to collect for them in time to remit to the companies. By dividing annual office overhead by number of policies written, we determine the cost of writing each policy; the accepted average figure having risen to \$2.75. Then we say we are losing money on the \$5 and \$10 policies! It is true we have made an attempt at cost accounting, but the conclusion is ridiculous.

"If you give all your clients the same identical service, you are losing money on small policies and you have no need for a more detailed cost accounting system. It is costing you nearly \$3 for each policy you write, and you or your larger clients are paying the bill of the small clients. Then you work harder and make less money.

"Each of your clients is entitled to your time and service in the amount

his money buys at a reasonable price. If this is true, you must have several systems for servicing different classes of insureds so each gets his money's worth. With several systems, you need a separate cost accounting system for each so you will know each class pays its way.

Question of Declining Rates

"Declining rates producing less income will go on and on forever as long as we sell policies. It is not news to hear that policies are meaningless and it is protection the public wants and needs. We have heard that story for a long time now, but still do little about it except in surveys. That is because we still think in terms of policies and we have ourselves to educate. There is only one reason in the world for buying any insurance policy—because there might be a loss. If there is a loss, one question comes first: 'How much money did I lose?' Then there is another question which follows: 'Is that the amount my insurance policies pay?' If that reasoning is correct, we can change our sales presentation and sell 'protection' within the limits of our client's financial means.

"Surveys will sell protection if you get away from the negative act of criticizing that which a competitor of yours has done and concentrate upon a presentation from the customer's point of view. But having sold him, your work is not done for his protection must be continuously surveyed if he is to have confidence in you and be competition proof.

What About New Production?

"New production at a standstill is a common complaint everywhere. It is surprising how many producers are actually proud of the fact that it is years since they have gone after a new customer.

"You have courage, you want business and, like most people, you can work when you have to. Suppose you make a resolution that you will do no work at all on and after the first day of every month until you have secured ten new customers? After that, renewals, details and collections will have your attention. There would be no limit to your income with such a resolution continuously in effect. And why not? Shouldn't you be the producer? Can you hire a better producer than yourself? But you can hire another to do the time killing detail and the servicing of small clients very satisfactorily. When this suggestion is made, the usual answer is, 'That will increase my overhead.' Of course it will, but it won't decrease your income if you recognize the value of your time and spend that which the new employee releases intelligently.

Definite Value on Time

"The usual producer works an average of 200 hours each month. He must first earn his overhead wherein he is like the lawyer, the consulting engineer, the doctor, the dentist. They know that an overhead of \$400 monthly means \$2 an hour must be paid before the professional man can make anything for himself. If he believes his knowledge and his services are worth \$1,000 a month, then this increases the value of time \$5 an hour, and we arrive at the very logical conclusion that clients must pay \$7 an hour. If they do and if all 200 hours are sold, not given and not wasted, then an income tax is paid on \$12,000 annually.

"Place a definite value upon time! Try to sell it at your price. Then you will plan your calls—formulate a sales

presentation because you will not wish to charge your good insured with too many unsuccessful calls which are like bad debts for they must be 'charged off.' In all businesses, the good customer pays the debts of the poor one as well as the mistakes of management. In addition, in your business, he pays for the time you give away, the time you waste, and the time you use inefficiently. How much does he pay for your time which produces no return to him?"

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 11, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	132	137
Aetna Fire	10	1.80*	56 1/2	58 1/2
Aetna Life	10	1.40*	28	30
Amer. Alliance ..	10	1.20*	23	24 1/2
Amer. Equitable ..	5	1.00	20	22
Amer. Home	10	...	7	8
Amer. (N. J.)	2.50	.60*	14	15
Amer. Surety	25	2.50	50	52
Automobile	10	1.40*	38	40
Balt. Amer.	2.50	.40*	7 1/2	8 1/4
Bankers & Ship.	25	5.00	98	101
Boston	100	21.00*	625	645
Camden Fire	5	1.00	21	22 1/2
Carolina	10	1.35	29	31
Contl. Cas.	5	1.50*	32	33 1/2
Contl. N. Y.	2.50	2.00*	44	46
Fidelity-Phen.	2.50	2.00*	44	46
Fire Assn.	10	2.50*	73	76
Firemen's (N.J.) ..	5	.40	10	11
Franklin Fire	5	1.40*	32	33 1/2
Gen. Reinsur.	5	2.00	43	45
Georgia Home	10	1.20*	25	27
Glens Falls	5	1.60	44	45
Globe & Repub.	5	.50	11	12
Gt. Amer. Fire	5	1.20*	28	29 1/2
Gt. Amer. Ind.	1	.20	10	12
Halifax	10	1.00**	11	12
Hanover Fire	10	1.20	28	29 1/4
Hartford Fire	10	2.50*	92	96
Home Fire Sec.	10	...	1 1/4	2
Home (N. Y.)	5	1.60*	32	34
Ins. Co. of N. A.	1	3.00*	79	83
Maryland Cas.	1	...	3 1/4	4 1/2
Mass. Bonding	12.50	3.50	62 1/2	65 1/2
Mer. (N.Y.) Com.	5	2.00*	52	55
Natl. Cas.	10	1.00	28	30
Natl. Fire	10	2.00	65	67 1/2
Natl. Liberty	2	.40	7 1/4	8 1/2
Natl. Un. Fire	20	5.00*	160	165
New Amst. Cas.	2	.90	19 1/2	21
New Hampshire	10	1.50*	46 1/2	48
Northern (N.Y.)	12.50	5.00*	102	106
North River	2.50	1.00	26 1/2	28
Ohio Cas.	5	1.20*	41	44
Phoenix Conn.	10	3.00*	93	97
Preferred Accl.	5	1.00	16 1/2	17 1/2
Prov. Wash.	10	1.40*	36 1/2	38 1/2
St. Paul F. & M.	62.50	8.00	255	265
Security, Conn.	10	1.40	38 1/2	40 1/2
Sprgfd. F. & M.	25	4.75*	128	133
Standard Accl.	10	2.50	52	54
Travelers	100	16.00	415	425
U. S. Fire	4	2.00	52	54
U. S. F. & G.	2	1.00	24 1/2	26

*Includes extras.

Old-Time Amazon Manual Is Brought Into Light

W. U. Knight, 3323 Holmes avenue, Minneapolis, retired field man of Minnesota, has in his possession a fire insurance manual of the old Amazon of Cincinnati. This was one of a triumvirate of companies that flourished there in the '60s and early '70s, the others being the Triumph and Andes. J. B. Bennett was president and B. D. West, secretary. The office was at 126 Vine street in Cincinnati. Mr. Bennett undoubtedly compiled the manual. It gives information regarding various hazards, how to rate risks, forms of various kinds. The funds of the Amazon shown Oct. 25, 1871, in the book were \$3,078,148, the capital being \$500,000. In the assets aside from the \$500,000 cash, U. S. bonds and mortgage bonds is an item "reinsured surplus lines with Andes assets," \$2,078,148, and Triumph Insurance Company, paid in capital \$500,000. The book is a very interesting volume, being one of the few left in the country. These three companies became famous for writing jumbo lines and evidently went to the fire insurance graveyard, which is the ultimate end of those engaged in such underwriting policies.

Paramount Fire has been licensed in Idaho.

H. M. McKay, Jr., has purchased all interest in Sykes & McKay agency of Columbia, Tenn., and assumed full management.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Forshay Campaign Getting Enthusiastic Response from Local Agents in Iowa

DES MOINES—A record attendance at the annual meeting of the Iowa Association of Insurance Agents at Cedar Rapids Sept. 8-10 and a record-breaking caravan for the national convention at Kansas City, is indicated because of the desire to give strong backing to R. W. Forshay, of Anita, Ia., national vice-president.

The Iowa association is now making a final drive in the "500 for Forshay" membership campaign and the enthusiasm forthcoming from a giant "pep" meeting in Des Moines this week indicated a successful ending by Sept. 1. Leaders in the drive were confident of reaching 500 membership on that date. B. C. Hopkins of Des Moines, former state president and chairman of the state membership committee, reported that the Iowa association had climbed out of the minus column and as of Aug. 11 had a membership of 441.

Net Gain Already Recorded

The association had only 226 members at the Sioux City convention in 1938 and then climbed to 468 on Sept. 1, 1939, only to drop to 434 on Sept. 1, 1940. When the present membership drive started July 1 the association listed only 380 members but since then the "500 for Forshay" campaign has erased the 54-member deficit and registered a net gain of seven.

Speakers at the "pep" meeting here, in addition to Mr. Hopkins, included Richard Bell, Atlantic; John Goodhue, Carlisle, Rudy Thorson, Boone, all local agents; Pearl Taylor, president of the Des Moines association, and State Agents W. H. Harrison, J. H. Buntin, Claude Borrett and Art Goodall.

The membership committee has formed teams to tour the state the last half of August and the Des Moines local board is sending out six caravans to canvass the surrounding counties for new members.

Abbreviated Annual Rally for Missouri Agents Unit

The annual meeting of the Missouri Association of Insurance Agents will consist of a luncheon session Monday, Oct. 13, in Kansas City. The Missouri association will thus be able to carry out the constitutional requirements of its annual meeting without impeding its duties as host to the National Association of Insurance Agents. Annual reports will be received, officers elected and National President Payne Midyette of Tallahassee, Fla., heard in what will probably be the only formal address of the meeting.

The meeting will adjourn in time to permit those who so desire to attend the territorial councilors meetings of the National association convention Monday afternoon.

Aviation Conference Is Held at Madison, Wis.

Three aviation underwriters and a number of Wisconsin insurance men including R. J. Neckerman of the R. J. Neckerman agency, Madison, Wis., attended a coordinators and operators conference on the civilian pilot training program held at Madison. Jean H. DuBuque, Chicago manager Aero Insurance Underwriters, spoke on "Insurance and Pilots' Training." J. R. Graham, Chicago manager U. S. Aviation Underwriters, and E. L. Stephenson, Chicago manager Associated Aviation Under-

writers, took part in the discussions of insurance problems.

The conference was sponsored by the extension division of University of Wisconsin, whose dean, F. O. Holt, spoke. Other Wisconsin colleges were represented and Dean F. A. Kartak, Marquette University, presided. Representatives of Civilian Aviation Administration and many flight and ground training men were present.

Mr. Neckerman, whose agency writes the insurance for the Madison airport and other insurance for the University of Wisconsin, entertained a group of those in attendance at a fish dinner.

Paul McGee Joins Lang Agency

J. Paul McGee, for the past 2½ years a special agent for the Globe Indemnity in Illinois, is resigning Sept. 1 to enter the agency business in St. Paul. Mr. McGee will handle the interests of his father, the late John P. McGee, in the W. A. Lang, Inc., agency. The elder McGee was a partner in the agency and that interest is now owned by his widow.

Paul McGee worked in the Lang agency during school vacations. He attended the U.S.F.&G. school at Baltimore, later working for St. Paul Fire & Marine for a short time, and then went to Chicago with Globe Indemnity. He was special agent downstate for that company almost two years, the remainder of the time in Cook county.

John P. McGee was a widely known agent, having taken an extremely active part in association work.

Inspections Make Big Hit

The fire prevention survey that was made in Ironwood, Bessemer and Wakefield, in the upper peninsula of Michigan, made a most favorable impression in that part of the country. The Ironwood "Times" ran an editorial expressing appreciation to the insurance interests for the work that was done and expressed particular appreciation for the checkup that was made of the plant of that newspaper itself. The editors stated that the paper has benefited considerably by the inspection reports. The editorial also spoke highly of Richard E. Vernor, head of the fire prevention department of the Western Actuarial Bureau, Chicago, who was the speaker at the public banquet. The paper stated that Mr. Vernor was "tops." It stated that he had a convincing message "that he sold to the approximately 300 banquet guests."

Provide Fire Protection Districts

JEFFERSON CITY, MO.—Governor Donnell has signed a bill providing for establishment of special fire protection districts in St. Louis county. Residents of unincorporated sections may, with the approval of the St. Louis county circuit court, and after ratification by two-thirds of the voters in the district, set up their own fire protection facilities.

If two-thirds of the voters approve, a district may issue bonds for the construction of fire engine stations and purchase of fire fighting equipment and may levy an annual tax not to exceed 20 cents per \$100 of taxable valuation.

Ohio Extends Reporting Forms

Single state reporting forms 1 and A have been expanded by the Ohio Inspection Bureau to permit covering stocks in manufacturing plants in Ohio. This follows the move by the Missouri Inspection Bureau a couple of weeks ago. The Interstate Underwriters Board recently expanded its reporting

forms 1 and A to permit insurance of stocks in manufacturing plants for assured operating interstate.

Indianapolis Board Outing Aug. 22

The annual outing of the Indianapolis Insurance Board, will be held at the Indianapolis Athletic Club, Aug. 22. This is for the agency employees and their bosses. Company representatives and their office employees are also invited. W. F. Souder, Jr., is chairman.

Swanton Joins Linnell

MINNEAPOLIS—M. W. Swanton, of Chicago has joined the Thomas G. Linnell general agency of Minneapolis. He has been with the Chicago office of the First Bancredit for several years, specializing in automobile and premium finance and loans.

Kansas City, Kan., Board Elects

KANSAS CITY, KAN.—Cheney Prouty was elected president of the Kansas City Association of Insurance Agents at a meeting Monday. Louis Cohen is vice-president and Clarence Lind of Tinklepaugh & Lind secretary-treasurer. New directors are O. W. Fail, Mr. Prouty and Mrs. Elfreda McCullough Murray.

Harding Wingett, retiring president, appointed a committee to cooperate in

arrangements for the state convention in Salina.

Alton Board Outing Sept. 11

The Alton (Ill.) Association of Insurance Agents is holding a "Hill Billy Gatherin'" at the Rock Spring Country club, Alton, Sept. 11. There will be plenty of refreshments and food, and a lot of prizes. Harry J. Steck, First National Bank building, Alton, is handling reservations.

NEWS BRIEFS

The Pioneer agency has been established at Des Moines to write all lines. A. T. DeBow is manager.

V. L. Dickinson, local agent at Augusta, Wis., has been appointed a member of the Wisconsin conservation commission by Governor Heil.

Roy Nienhauser, vice-president of the R. M. Neely Co., St. Paul general agency, participated this week in a reunion of the 54th Pioneer infantry in which he served overseas in the last world war.

The Rickard Agency Neenah, Wis., has succeeded the Lampert-Rickard agency. E. L. Rickard purchased the interest of E. E. Lampert to become sole owner.

Several Cincinnati suburbs have been re-rated. Greenhills is now in class 6 instead of class 8; Madison Place class 7 instead of class 10; and Mariemont class 7 instead of class 6.

IN THE SOUTHERN STATES

In Texas, War Department "Insurance Adviser" Must Be Licensed Agent, Solicitor

AUSTIN, TEX.—In Texas the "insurance adviser" in the war department's emergency insurance rating plan for national defense projects must be "a licensed recording agent" or a "licensed solicitor" as defined by the Texas licensing law. The nationwide plan providing for an "insurance adviser" was thus modified by the Texas board of insurance commissioners after hearing a vigorous protest by the casualty and surety committee of the Texas Association of Insurance Agents against breaking down the American agency system. Because of the opposition of the war department officials in Washington, the association's committee was not successful, however, in changing the national plan as far as the method of compensation for the insurance adviser was concerned.

Herman J. Arrant agency, Miami; R. W. Michael, southern manager Fireman's Fund, Atlanta; J. T. Rhudy, general agent, Jacksonville; John Dillard, superintendent automobile department Fireman's Fund, Atlanta; Parks Hunt, Hurt & Quin, Atlanta; E. H. O'Connor, Provident Life & Accident, Chattanooga; L. E. Mackall, vice-president National Surety.

Tennessee Agents Launch State Membership Drive

NASHVILLE, TENN.—The Tennessee Association of Insurance Agents this week begins an aggressive statewide drive for new members. President Vernon Sharpe, Jr., has appointed J. H. Bandy, of Stokes-Bandy, Nashville, general chairman. Chairman Bandy and Secretary R. T. Cawthon will hold meetings for workers, with directors of the association serving as chairmen, as follows: Memphis, Aug. 13, Louis Furbinger, chairman; Jackson, Aug. 13 (night), Earl Seaton; Union City, Aug. 14, H. A. Bransford; Clarksville, Aug. 14 (night), Arch Northington; Columbia, Aug. 15, T. E. Redman; Tullahoma, Aug. 15, E. L. Adamson; Nashville, Aug. 16, D. S. Clark; Chattanooga, Aug. 18, W. S. Keese, Jr.; Knoxville, Aug. 18 (night), Russell Briscoe; Sweetbrier, Aug. 19, Felton Sanders; Johnson City, Aug. 19, W. M. Harris; McMinnville, Aug. 20, T. F. Burroughs; Cookeville, Aug. 20, J. F. McDowell.

County School Line Revised

CHATTANOOGA, TENN.—A complete revision and rescheduling of fire insurance on about 100 Hamilton county buildings has been completed and new policies for one-third of a total of \$2,677,500, representing total annual premiums of \$42,000, were issued Aug. 1. Another third will be rewritten Aug. 1, 1942, and the remainder Aug. 1, 1943. The number of policies in force is being reduced from 900 to 60 and Manager Etheridge estimates a saving to the county of \$11,000 in premiums over a

Lecturers for Florida Short Course School Announced

TAMPA, FLA.—Plans for the fifth short course school of the Florida Association of Insurance Agents Sept. 8-11 at the Ocoola Hotel, Daytona Beach, are announced by Secretary A. C. Eifer and L. P. McCord, all-time dean of the faculty. Among the innovations will be an employees course for the benefit of office workers. There will be an advanced class for those who have attended three previous schools and earned three certificates.

List of Lecturers

Lecturers will include Milton W. Mays, director Business Development Office; Roy A. Duffus, Rochester, N. Y.; Don Bolton, local agent, Jacksonville; L. P. Hebard, state agent Corroon & Reynolds, Jacksonville; Allen Mathes, vice-president Finley Tucker & Bro., Jacksonville; Hunter Brown, president state association, Pensacola; Marjorie E. Hanes, secretary

three-year period. A few of the smaller school buildings are not being insured and the total insurance is being reduced \$200,000. Stock companies are getting two-thirds of the business with the remainder going to mutuals. The business going to stock companies agents is being apportioned among local agents.

H. J. Farrell Joins "Field"

Hugh J. Farrell, well known in insurance circles throughout the southwest, has joined the "Insurance Field" as southwestern special representative. With headquarters in Dallas, he will have editorial and business supervision over Oklahoma, Arkansas Louisiana and Texas.

Mr. Farrell was educated at Notre Dame University and Albany law school. He went with Hooper Holmes Bureau as inspector, and became manager at Rochester, N. Y., where he remained for seven years, later spending five years as special representative of that organization in Texas.

For the next five years Mr. Farrell was chief investigator for the life insurance department of Texas, a position he resigned to open the Southwestern territory for O'Hanlon Reports.

In-or-Out Rule Held Legal

The Galveston court of appeals has upheld the district court of Houston, Tex., holding that the Insurance Exchange of Houston was not in violation of the law and had not damaged Allyn R. Cline, Houston agent, in enforcing provision in its by-laws with reference to eligibility of members on account of companies represented. The case, which may be taken to the supreme court for final decision, has been closely watched by Texas insurance men, as it was considered a test case as to whether or not

a local exchange could qualify its membership and disqualify agents representing companies which had plants with agents not members of the local exchange.

Certificates to 96 at Ark. School

FAYETTEVILLE, ARK.—At the second annual fire and casualty school at the University of Arkansas, sponsored by the Arkansas Association of Insurance Agents, Arkansas Field Men's Club and Arkansas Casualty & Surety Association, 96 insurance men and women attended all of the lectures and received certificates from the agents association. Including visitors and others who were at the university for part of the week, the total was close to 200.

C. C. Mitchener, Marianna, secretary of the association, was master of ceremonies at the final program.

Florida Group Changes Name

TAMPA, FLA.—The Florida Insurance Agents Association becomes the Florida Association of Insurance Agents by authority of the court in charge of charter. Secretary A. C. Eifler has moved to larger quarters in the Wallace S building.

Plan New Virginia Board

Samuel Bigelow, manager of the Virginia Association of Insurance Agents, is arranging for organization of a board in the Northern Neck section of Virginia. He was at Kilmarnock a few days ago conferring with C. W. Hubbard, Jr., local agent there, on preliminary plans.

Oklahoma Council Committees

OKLAHOMA CITY—T. Ray Phillips, America Fore, president of the

Oklahoma Capital Stock Insurance Council, has appointed his committees. Chairmen are: Membership, Tom Earp; membership expansion, J. V. Keating; speakers, C. R. Kelley; survey, John S. Adams; public relations, E. R. Ledbetter.

NEWS BRIEFS

E. T. DeJarnette of Richmond, president of the Virginia Association of Insurance Agents, was nominated for the legislature in the democratic primary last week. Nomination is tantamount to election. He served in the house in 1934.

Jack Culbertson, San Antonio special agent for Floyd West & Co. of Dallas, is the father of a daughter.

Miller McDaniel, formerly of Wichita Falls but for the past three years operating an insurance adjustment service in east Texas, has returned to Wichita Falls and he will have his adjustment office at 301 City National Bank building.

W. Dudley Gale of Gale, Smith & Co. has been made chairman of the Nashville Community Chest drive, Oct. 13-23, and an accompanying United Service Organizations drive.

J. K. Shepherd, Little Rock general agent, will serve as chairman of the



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Pulaski county defense committee, which will act with the Arkansas Defense Council.

Levisa Insurance Agency, Grundy, Va., has changed its name to Bucova Insurance Agency, Inc. Percy V. Dennis is president.

PACIFIC COAST AND MOUNTAIN

Mont. Attorney-General Makes Demand on Pearl

Demand has been made upon Pearl by Attorney-general Bonner of Montana for \$39,809 with interest from Dec. 2, 1936. He alleges that Pearl overcharged the state by that amount for insurance premiums and he threatens to file suit to collect the sum if it is not paid in a "reasonable" time.

This demand grows out of an old row in Montana. When Montana enacted a state fund law for the insuring of state properties, Pearl reinsured the state fund 100 percent. When the state fund was knocked out, Pearl became the direct insurer of state properties and the state contends now that the cancellation of the reinsurance policies should have been on a prorata rather than a short rate basis. The difference between short rate and prorata is the \$39,809 at issue.

The recent Montana legislature instructed Commissioner Holmes to refuse to relicense Pearl and its subsidiaries in Montana and it directed the attorney-general to bring a suit for recovery against Pearl if he felt that such a suit could be maintained.

The Pearl companies secured an order in federal court preventing Mr. Holmes from canceling their licenses until after he held a formal hearing. Such a hearing was set for July 21 but Pearl secured an order in district court directing Commissioner Holmes to show cause why he should not be enjoined from conducting the inquiry on the ground that Holmes' charges against the companies were "too vague." Hearing on this application was postponed to Aug. 15 and Mr. Holmes' proposed hearing was reset for Aug. 20.

Insurers File Answer in Tacoma Bridge Suit

The companies involved in the Tacoma bridge loss have filed an answer in superior court at Tacoma, asserting that the Washington Toll Bridge Authority has refused to abide by the appraisal provision of the policies. The insurers point out that all of the policies provide that in the event of loss or damage each party is to select a competent and disinterested appraiser who in turn will select a competent and disinterested umpire to determine the amount to be paid. If unable to agree upon an umpire within 15 days, the judge of a court of record is to appoint one.

The companies declare that they have requested the toll bridge authority frequently to appoint its appraiser and that it refuses to do so. Solely for this reason an appraisal of the loss or damage has not been undertaken, according to the answer.

Trial of the suit brought by the toll bridge authority is scheduled to start before Superior Judge Hodge of Tacoma, Sept. 8.

The insurers admit that the bridge and approaches were insured for a total of \$5,200,000. They admit that the bridge suffered certain damage last November and that a reasonable cost of the structure and approaches was \$6,500,000. The controversy exists between the toll bridge authority and the insurers as to

whether the bridge is a total loss, a constructive total loss or a partial loss.

Rule Change Sought by Lumber Men Made in Wash.

The Washington Surveying & Rating Bureau has made a number of changes in rules and tariffs. A new rule permits a change in the definition of "stock in process" on average clause Form A, or on weekly forms B or C, to permit lumber and timber products to be considered as raw stock, as defined in the form, insofar as the remanufacturing units are concerned, these units ordinarily being box factory, planing mill, etc. This relieves the restriction in the U. & O. forms, under which stock in process is covered for not exceeding 30 consecutive days without additional cost. This im-

provement has been sought by lumber interests for some time.

A special provisional reporting form for insuring hops has been established. Use and occupancy gross earnings-business interruption form G, formerly limited to mercantile risks, is now available for "non-manufacturing" risks.

Start F. U. A. P. Classes Sept. 3

SAN FRANCISCO — The general principles, fire, inland marine, ocean marine, accounting, rating and public speaking classes of the Fire Underwriters Association of the Pacific will be organized Sept. 3 and the casualty classes Sept. 4.

The 1941 curriculum has been broadened so that it includes 11 classes of direct interest to those in the business. Charles A. Colvin is chairman of the educational committee.

Los Angeles Insurance Post Elects

LOS ANGELES — Insurance Post 513, American Legion, has elected these officers: Commander, E. N. Van Ness, General of Seattle; first vice-commander, William Sutton, Pacific Employers; second vice-commander, M. E.

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Robinson to Salt Lake City

Frank Robinson, with the Carl V. Rutledge general agency in Denver, has been transferred to Salt Lake City in charge of the office there. He is reopening the Salt Lake office, which has been closed for a year.

Utah State Insurance Placed

SALT LAKE CITY—The state purchasing agent has authorized the placing of \$12,437,000 of fire insurance on state buildings and contents for five years, carrying a total premium of \$85,815. It was distributed among 54 agencies here and elsewhere throughout the state representing 57 companies.

Oregon Box Plant Burns

Fire at Klamath Falls, Ore., entirely destroyed the plant of the Ewauna Box Company, together with 6,000,000 feet of pine lumber, and caused a loss of \$100,000. Lightning is believed to have started the fire. Loss is fully covered by insurance.

Ralph Staley, deputy insurance commissioner of Oregon in the Portland office, has resigned to go with the Oregon Wine Council. He was employed by the state liquor commission before

Presiding



MARK A. GOLDY

Mark A. Goldy of Medford, Ore., president Oregon Insurance Agents Association, is presiding over its annual convention this week at Portland, starting Thursday.

his appointment by Commissioner Thompson.

Charles J. Cooper, Denver local agent, is closing his office and moving to California.

not be taken on the bill until full sessions are resumed some time in September.

Mason Quits as Vt. Secretary

Alexander C. Mason of Rutland, Vt., for many years a leading figure in the Vermont Association of Insurance Agents, has retired as secretary-treasurer of the state association after eight years continuous service. He was president in 1928-1929; was national councillor for three years and a member of the New England Advisory Board for 15 years.

Elwell in Melrose Agency

BOSTON—Lincoln G. Elwell, special agent of the Royal in the Boston general agency of Field & Cowles, New England managers, has resigned to enter the agency field with J. C. McClure in Melrose, Mass., under the agency name of McClure & Elwell. Mr. Elwell is a native of Malden and most of his insurance experience has been with Field & Cowles.

Warning on Gasoline Storage

ROCHESTER, N. Y.—Some motorists' "bright idea" of buying gasoline and storing it in cans in their garages against the day of rationing isn't so bright, after all, Louis Hawes, executive secretary of the Underwriters Board of Rochester, warns them.

If the gasoline becomes ignited and

the garage goes up in smoke and insurance adjusters find out why, it will be extremely difficult to collect insurance, Mr. Hawes declared. Most policies stipulate that no explosives, such as gasoline, are to be kept on the premises in quantity more than five gallons, unless stored in underground tanks.

London Lloyds Advertising

The Associated Press sent out a story the other day stating "Lloyds of London is willing to risk odds of 1,000 to 1 that Washington won't be bombed." What the story amounts to is that Lloyds is selling bombardment insurance at the rate of \$1 per thousand on non-hazardous risks, \$1.50 on non-manufacturing commercial risks and \$2 on manufacturing risks excluding armament works. The AP did not state that bombardment insurance is standard coverage under the manual of the Explosion Conference; that the American companies have an identical insuring clause. The rates quoted by the Associated Press are apparently the same as those that are charged by the American companies for occupancies that are rated as non-hazardous. The only difference appears to be that Lloyds is willing to sell the insurance on an annual basis without the privilege of cancellation whereas the Explosion Conference provides for only a one month non-cancellable period.

EASTERN STATES ACTIVITIES

N. Y. Federation Rally at Rochester, Sept. 19-20

The annual convention of the Insurance Federation of New York will be held at Rochester, Sept. 19-20, with headquarters at Hotel Seneca. Wellington Potter, Rochester local agent, is general chairman for the meeting.

A golf tournament the afternoon of Sept. 19 will open the convention. The annual banquet will be held that evening, and state insurance officials, members of the legislature, agents and brokers and company executives are being invited.

Annual Meeting and Election

The annual meeting and election will be held the morning of Sept. 20. This session will include a discussion of problems of general interest affecting all branches of insurance. Adjournment is at noon.

Chairmen of the committees in charge of the affair are: general, S. F. Connor; registration, Frank Eaton; reception, T. A. Sharp; transportation, Chester Champion; entertainment, Robert Consler; invitations, Fred Townsend; golf, Gilbert Amsden; publicity, E. A. Paviour, and hotel, B. R. Hershberg.

Remove R. I. Department Head from Civil Service

PROVIDENCE — Uncertainty has arisen in the Rhode Island insurance department over recent action of the governor in removing the commissioner and some 14 other state officials from the protection of the civil service. H. N. Morin, with title of deputy insurance commissioner, is head of the insurance department under W. J. Paquin, director of business regulation and administrator of banking and insurance. He was appointed to the post under Governor Vanderbilt, Republican. The present administration is Democratic. Governor McGrath, in taking action, said he felt that the principal offices of the state should be controlled by incoming administrations but did not mean neces-

sarily that changes would be made immediately.

Byrne Makes Gift to Britain

Joseph M. Byrne, Jr., president of the agency in Newark bearing his name, presented a check to cover the purchase of equipment for three hostels—institutions provided by the British government for the care of shell shocked children. Each hostel will display a plaque inscribed with the name of the Byrne agency and the names of the three British insurance companies which the Byrne agency represents, they being Liverpool & London & Globe, North British & Mercantile and General Accident.

Mr. Byrne presented the check at a luncheon at which the guests were officials of the three British companies. Harold Warner, U. S. manager of L. & L. & G., acting in behalf of the companies and of the British War Relief Society, accepted the check and expressed his appreciation of Mr. Byrne's generosity. The cost of equipping such a hostel for children under 5 years old is about \$200.

Non-Assessable Bill Advanced

BOSTON—The bill to allow Massachusetts fire and casualty companies to issue non-assessable policies, on depositing \$200,000 with the state treasurer and providing additional capital of from \$200,000 to \$400,000, equivalent to stock company requirements, was given a third reading in the senate by a vote of 20 to 13. The house had previously finally passed the measure by a vote of 129 to 23.

As the legislature is in recess during the impeachment trial of Councillor Coakley by the senate, final action will

**Economical Rates
For Your Vacation**

Two Persons For The Price Of One

400 ROOMS

FOR ONE OR TWO PERSONS WITH PRIVATE BATH FROM \$2.50

FOR ONE OR TWO PERSONS WITHOUT PRIVATE BATH FROM \$1.50

TWIN BEDS \$4. AND \$4.50

SHIRLEY-SAVOY HOTEL

Every outdoor activity may be enjoyed in and around Denver. Now the Shirley-Savoy makes low-cost vacations possible. Friendly and comfortable, in the heart of town, close to all recreations. Dining Room, Coffee Shop and Shirley Tavern. Garage.

17TH AT BROADWAY
DENVER

J. EDGAR SMITH, PRESIDENT
IKE WALTON, MNG. DIRECTOR
"O. C. BENNETT" MANAGED

★ ★ ★ ★ ★

The BELLEVUE, "one of the Few Famous Hotels in AMERICA"

... became famous through its unsurpassed facilities, its superb food, the unvarying graciousness of its service and its vigilant management. And you will also appreciate its reasonable rates.

BELLEVUE-STRATFORD
IN PHILADELPHIA

★ ★ ★ ★ ★

CLAUDE H. BENNETT
General Manager

AIR-CONDITIONED RESTAURANTS

WHERE'S A GOOD PLACE TO STAY IN ST. LOUIS?

Mayfair
HOTEL
ALL ROOMS AIR-CONDITIONED
\$3.00 UP!

"Prompt Paying Preferred"

50 + YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 56 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

WHY ON EARTH DO THEY DO IT?

...buy and use expensive equipment... and

People who own a size hobby equipment, like, carry a lot of them have good reason to shoulder the loss if the valuable is broken.

Moral: Pass this good sound insurance card to

YOUR NAME, & TELEPHONE HERE

WHY ON EARTH DO THEY DO IT?

...spread their losses: Tom, Dick and

It's a nice friendly each of the boys a insurance... but y what fancy side of it. When you split... you may be in fa

Moral: Choose Ol and make him carry many people in this is

YOUR NAME, & TELEPHONE HERE

WHY ON EARTH DO THEY DO IT?

...put good money equipment... and lose

Sports and hobbies expensive paraphernalia... damaged or lost worry of losing a gun or other sports sound insurance ca

Moral: Get now a

YOUR NAME, & TELEPHONE HERE

WHY ON EARTH DO THEY DO IT?

...travel around without insuring their personal belongings

Every day baggage goes astray. Fur coats and jewelry are stolen and lost. No one is immune from these risks. But you can be immune from loss... with personal effects insurance.

Moral: Come in and let us show you how inexpensive it is to have your personal belongings protected everywhere in the world, except in war-torn countries.

YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

WHY ON EARTH DO THEY DO IT?

...take chances with cash-prize insurance

Buying insurance of doubtful security in order to save premium cost is like an amateur buying a defective parachute because it's cheap. If he's going to need it at all, only the best is good enough. If he can't go to need it, why bother to carry it at all?

Moral: Insure an insurance that you know will be reliable... let us tell you all about it.

YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

WHY ON EARTH DO THEY DO IT?

...run the risk of having to pay rent while their home is being rebuilt after a fire

If fire should chase you out of your home, where would your family stay while repairs are going on? Rent insurance costs a ridiculously low sum... and pays rent in quarters equivalent to your home while you're rebuilding.

Moral: Don't go another day without this protection. It's attached to your present policy, and costs less than you'd believe possible.

YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

WHY ON EARTH DO THEY DO IT?

...take chances by losing or damaging good sports equipment without insurance protection

You pay good money for sports equipment... to have fun. But it's a fun worrying about the risk of giving it stolen... or losing it. Here's more fun in sport when you know your paraphernalia is safe.

Moral: Give us a call and let us put you on the safe side... it doesn't cost much.

YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

WHY ON EARTH DO THEY DO IT?

...forget about insurance, if it never had a loss. It's all in order can be enough. You may have had a little loss, it's a way.

With leaving it to die, here you stand... let insurance situation BE-FORE a loss comes.

YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

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YOUR NAME, ADDRESS & TELEPHONE NUMBER HERE

A SMILE

A FACT

A MORAL

These twenty-four advertisements take but six inches of newspaper space apiece, to drive home an important selling message. A record number of requests from agents of National Fire Group Companies indicates that this series exactly fits the needs of progressive agents.

The same advertisements have been prepared in slightly larger size and in two colors, and are available for use as policy inserts or mail enclosures. This combination provides extra punch, because both team up and pull together.

The materials for our "Why on Earth Do They Do It" campaign are available to our agents without cost, and are but one example of the help that is yours to command, as an agent of the National Fire Group.

If you would like to see a complete set of samples of the advertising series described above, simply return the coupon. No cost or obligation, of course.

THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY • FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

Home and Administrative Offices: Hartford, Connecticut
Western Department: 175 West Jackson Boulevard, Chicago
Pacific Department: 34 Bush Street, San Francisco

The National Fire Group
Hartford, Connecticut

Gentlemen:

Please mail me a complete set of samples of the "Why on Earth Do They Do It" advertising campaign.

NAME _____
(Please Print)

ADDRESS _____

N. U.—9 _____

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